The Province of Alberta

THE ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF EDMONTON AND CALGARY

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PROCEEDINGS

DATE October 19, 1954

VOLUME VI

Monday 21

The Court House
EDMONTON - ALBERTA

SUPREME COURT REPORTERS, EDMONTON

VOLUME VI

October 19th, 1954

I N D E X

WITNESSES:

R.E. MOFFAT

DOCTOR J.C. JONASON

-oOo-

VOLUME VI

October 19th, 1954

EXHIBITS

THE CONTINUATION OF
THE SITTINGS OF THE ROYAL
COMMISSION ON METROPOLITAN
DEVELOPMENT OF CALGARY AND
EDMONTON, held at the Court
House, Edmonton, Alberta,
Tuesday, the 19th day of
October, 1954, at ten a.m.

THE CHAIRMAN: Now, then, Gentlemen, the Commission is ready to resume the hearing. All right, Mr. Garside.

MR. GARSIDE: I had hoped perhaps at this point it might be the proper place to file some exhibits.

THE CHAIRMAN: Yes, so it would. Will you tell us what they are and then we will number them?

MR. GARSIDE: The first one is a list of agreements for provision of services by the City of Edmonton to parties outside the limits of the city.

MR. DAVIES: Is that just a list of the contracts?

MR. GARSIDE: Yes, sir; if you want the contracts themselves we will be very glad to furnish them to the commission.

MR. DAVIES: Is there someone at some stage, should the Commission so desire, that you can put into the box, who could go over the list and possibly answer minor questions, so that instead of having just the bare list we might have in the record something as to the nature of the agreements -- without going into all the details?

MR. GARSIDE: Yes, although I am afraid I am not going to be able to answer some of the questions. Now, the first one is the City of Edmonton and the Town of Jasper Place --.

THE CHAIRMAN: I think, Mr. Garside, we would not take the time to hear them read now, but Commissioner Davies' idea is that later when we have some of these other matters disposed of and we have had an opportunity of seeing them, then we might like to have you come and answer some questions.

MR. GARSIDE: Very well, sir.

THE CHAIRMAN: This will be Exhibit 50E.

LIST OF AGREEMENTS, AS PRODUCED, IS MARKED EXHIBIT 50E AND PUT IN.

Agreements for provision of services by The City of Edmonton to parties outside the limits of The City of Edmonton.

Parties to Agreement	Date of Agreement	Particulars
1. The City of Edmonton and The Town of Jasper Place	April 17,1953	The City of Edmonton agrees that the Town of Jasper Place may discharge sanitary sewerage from the sanitary system of the Town of Jasper Place into the City of Edmonton sewer system.
2. The City of Edmonton and Beverly School District No.229 represented by R.J.Scott, Official Trustee and C.Gundersen, Secretary	December 19,1952	The City of Edmonton agrees to supply the Beacon Heights school in Beverly with City water and sewer facilities.

Parties to Agreement	Date of Agreement	Particulars
3. The City of Edmonton and Charles Russell Robert Gram and Reinhold Kapchinsky	February 20,1954	The City of Edmonton agrees to supply water to the parties mentioned herein at their properties located south of Edmonton on the west side of the Calgary Trail in the M.D. of Strathcona. Grams & Kapchinsky were operating a service station which we understand has recently been sold.
4. The City of Edmonton and Canadian Chemical Co.Ltd.	October 4th,1954	The City agrees in case of fire to furnish fire protection to Canadian Chemical Plant at Clover Bar approximately ten miles east of South.
5. The City of Edmonton and The Town of Jasper Place	April 17,1953	The City agrees for a period of 5 years to supply certain quantities of water to the Town of Jasper Place.
6. The City of Edmonton and M.D. of Strathcona No.83	August 10,1951 and amended April 24,1953	The City agrees to supply water to the M.D. of Strathcona at rates of flow set out in the agreement.
7. The City of Edmonton and The Town of Beverly	March 30,1954	The City agrees to supply water to Town of Beverly in quantities set out in the agreement.
8. The City of Edmonton and Town of Beverly	March 30,1954	The City agrees to furnish fire protection to Beverly.
9. The City of Edmonton and Town of Leduc	December 1st,1953	Fire protection by City to Leduc.

(Cont.)

Parties to Agreement	Date of Agreement	Particulars
10. The City of Edmonton and Clover Bar Co-operative Farmers and Salisbury Co-operative Farmers	July 10,1953	Supply of electrical energy by the City
11. The City of Edmonton and The Queen, in Right of the Province of Alberta	April 28,1954	Fire Protection by City to Oliver Mental Institute
12. The City of Edmonton and The Queen, in Right of the Province of Alberta	April 14,1954	Supply of water by the City to Alcoholics Rehabilitation Institute at Oliver.
13. The City of Edmonton and Canadian Industries Limited	March 12,1954	Fire protection by City to premises of C.I.L. located one and one half miles East of City Limits on Highway Sixteen
14. The City of Edmonton and Building Products Limited	February 1,1954	Fire protection by City to premises of B.P.L. located 2 miles east of City limits on Highway Sixteen.
15. The City of Edmonton and Edmonton Broadcasting Limited	February 2,1954	Fire protection by City to premises of CJCA located near Ellerslie.
16. The City of Edmonton and Southern Garage Limited	January 19,1954	Fire protection by City to premises - 45th Avenue and Calgary Trail.

(Cont.)

Parties to Agreement	Date of Agreement	Particulars
17. The City of Edmonton and Sunwapta Broadcasting Co.Ltd.	December 16,1953	Fire protection by City to premises on Jasper Highway 2½ miles west of City Limits.
18. The City of Edmonton and Dominion Tar and Chemical Co. Ltd.	December 16,1953	Fire protection by City to premises on St. Albert Trail
19. The City of Edmonton and William Roscal	December 16,1953	Fire protection by City to premises at 10607 - 51st Avenue.
20. The City of Edmonton and Lee Williams	December 21,1953	Extension of City sewer service to premises 13109 and 13111-50th Street.
21. The City of Edmonton and The Queen in Right of Canada	May 23,1952	Fire protection to Griesbach Barracks by City.
22. The City of Edmonton and Minister of National Defence	October 10,1951	Supply of Electrical energy to Namao Air Station
23. The City of Edmonton and Imperial Lumber Co.Ltd.	December 11,1951	Fire protection by City to premises - 15420 Stony Plain Road.
24. The City of Edmonton and Minister of National Defence	March 2,1951	Supply of water by City to Army Depot Area - 97th Street and 137th Avenue.
25. The City of Edmonton and Winterburn Local of the Farmers Union of Alberta.	July 15,1949	Fire protection by City to farmers in Winterburn District.

(Cont.)

Parties to Agreement	Date of Agreement	Particulars
26. The City of Edmonton and Minister of Public Works for the Province of Alberta.	August 16,1948	Supply of water by City to Oliver Mental Institute

THE CHAIRMAN: Is there something else, Mr. Garside?

MR. GARSIDE: Yes, sir; a map of the City of Edmonton showing thereon in different colors, with a memorandum explaining the colors, areas of land that have been added to the city since 1947, and also going with that is a copy of the Board's order.

THE CHAIRMAN: This will be Exhibit 51E.

MAP AND BOARD'S ORDER, AS PRODUCED, ARE MARKED EXHIBIT 51E AND PUT IN.

ORDER No. 15371 File C-20-F

FRIDAY - THE TWENTY-THIRD DAY OF APRIL, A.D.1954.

Before:	IN THE MATTER OF "The Public Utilities Act":
The Board of Public Utility Commissioners for the Province of Alberta	AND IN THE MATTER OF an application by the owners and beneficial owners of the North East Quarter of Section Sixteen (16), Township Fifty-two (52), Range Twenty-four (24) West of the Fourth Meridian to detach this property from the Municipal District of Strathcona No. 83 and to annex the same to the City of Edmonton in the Province of Alberta

Upon the application to The Board of Public Utility Commissioners by a majority of the resident land-owners of the territory hereinafter described and being adjacent to the

(Cont.)

City of Edmonton, for annexation to the said City of the said property; upon reading the consent of the City of Edmonton and the consent of the Municipal District of Strathcona No. 83; upon reading the consents of each of the parties interested in the said land and upon reading the other material filed:

IT IS ORDERED that all of the North East Quarter of Section Sixteen (16), Township Fifty-two (52), Range Twenty-four (24), West of the Fourth Meridian, be detached from the Municipal District of Strathcona No. 83 and that the same be and is hereby annexed to the City of Edmonton.

This Order shall be effective as and from the 30th day of December, 1953.

THE BOARD OF PUBLIC UTILITY COMMISSIONERS,
(SIGNED) R. D. HENDERSON
CHAIRMAN

Certified a true copy.
"W.C. Elliott"
Secretary "Seal"

MR. DAVIES: Mr. Garside, have you any further applications for annexation before the Board of Public Utility Commissioners at present?

MR. GARSIDE: Not to my knowledge.

And then there was a final one which was asked for by the commission, and it is a memorandum prepared by Mr. Moffat.

R.E.MOFFAT again resumes the stand and continues his testimony as follows:

Q MR. GARSIDE: You have that, have you? The Memorandum that we wish to file as an exhibit?

A Well, I filed that one yesterday.

Q But there was one you referred to --

A Oh, I'm sorry; I didn't realize what you meant; yes, this is a copy taken from the Financial Post that I was referring to yesterday showing the break down of assessments in the Toronto area between residential and commercial.

THE CHAIRMAN: Mr. Moffat, are you submitting just one copy, or several copies?

A Several copies, and we have added on to it a calculation of the percentage residential in each case.

THE CHAIRMAN: Exhibit 52E.

MEMORANDUM SHOWING BREAK DOWN OF ASSESSMENTS IN TORONTO AREA, AS PRODUCED, IS MARKED EXHIBIT 52E AND PUT IN

ASSESSMENTS FOR 1953 TAXES --GREATER TORONTO --$ Millions

	Total	Residential		Commercial & Professional	Industrial	Other
Toronto	1,480.4	594.1	40.13%	886.3##		
Leaside	13.7	6.4	46.72%	3.6	3.7	
Mimico	8.1	6.4	79.01%	2.5##		0.2
New Toronto	11.4	3.7	32.46%	1.7	5.8	0.2
Weston	8.1#	4.6	56.79%	1.4	1.9	
Forest Hill	20.3	18.3	90.15%	1.5	0.06	0.4
Long Branch	5.0	3.0	60.00%	1.0	0.5	0.1
Etobicoke	31.8	23.4	73.58%	2.9	4.3	1.2
Scarborough	37	28.3	76.49%	2.1£	4.3	2.2

(Cont.)	Total	Residential	Commercial & Professional	Industrial	Other
York East	28.8	22.5	78.13%	2.6	2.6	1.2
York North	53.2	42.9	80.64%##	3.5	3.4	3.2

Assessment for 1952 taxes.

Includes industrial and other assessments.

£ Excludes business tax assessment.

Source-- The Financial Post
August 15,1953

Q MR. ROBISON: Mr. Chairman, Mr. Moffat submitted a memo the day before yesterday further to some deliberations here, and only one copy of that was filed. Now, is that to be distributed and other copies to be made?

A The only copy of that is in the hands of the reporter because he is putting it into the record; and then that copy will be filed as an official exhibit, but there will be copies in the record.

THE CHAIRMAN: Now, the examination of Mr. Moffat is continuing. Now, then, are you ready?

A I think so.

THE CHAIRMAN: All right, Mr. Garside, carry on.

Q MR. GARSIDE: Mr. Moffat, when we finished the questioning yesterday morning we were dealing with the ratio of taxation or assessment with regard to business and residential, and I think you did not answer a question with regard to that relationship in Jasper Place -- no -- in the Municipal District of Strathcona. Have you any idea what the relationship there would be?

A Well, the situation in Strathcona is not strictly comparable with the City assessments, or with any of these other figures that we have been quoting, because

A (Cont.) such a big proportion of their district is agricultural land, which is neither residential nor commercial in the ordinary sense; but in total their assessment on the present tax roll is just slightly over $21,000,000.00, of which roughly $13,000,000.00 is industrial; in other words, roughly two thirds industrial; whereas the city is only slightly over one third industrial. In addition to that there is a big additional industrial assessment to come on that tax roll for the next year. I think that is as probably as far as we can go with this kind of comparison in Strathcona, because of the special situation with the agricultural land.

Q At any rate, the ratio of business to residential, in so far as the municipal district of Strathcona is concerned is much higher?

A Very very much higher.

Q MR. ROBISON: When you say "industrial" you mean "industrial" and "commercial"?

A That's right, everything except residential.

Q MR. GARSIDE: When you were being examined by the town of Jasper Place you were giving some information including the per capita debt. Now, have you anything else you would like to explain in that connection?

A Yes; I might say that I'm not very proud of my answers on that particular subject, and I would like a chance to clarify them a bit.

There are now in evidence two sets of figures on per capita debt. There is a set of figures with the Commissioners' Report for eight months; and there is a set of figures in the exhibit which was filed --

A (Cont.) I don't have the number marked on my copy -- it's the one page showing the per capita debt.

The difference between the two tabulations is that one is set up in terms of the way that the revenue to meet the debts will be collected; and in the other case the separate exhibit is aimed at showing the per capita debt which is to be counted as chargeable against general revenue for the purposes of meeting the borrowing restrictions in the present statute.

In other words, the sewer debenture debt of approximately $12,000,000.00 is not counted under the statutory limitations, that the debt must not go beyond twenty percent of assessment; and therefore in the one tabulation, that sewer debt is pulled out of the item which is marked "general, to be retired from taxation"; but in the other table, because of the fact that the mechanical setup here is that sewer debt is paid by general taxation, it is included in that category. Otherwise the two tables are reconciled.

Now, the total municipal debt at the end of 1954 in the city is going to work out at $399.00 per capita, of which $75.00 per capita is in the category of local improvements which are chargeable against the individual property owner, and are not really chargeable against taxes at all -- so that comes out immediately leaving $324.00 chargeable against the general public; and then public utilities: debt which is payable by earnings from the public utilities and not collected through any of the tax levies is another $99.00 per capita -- which brings it down to $225.00 per capita still remaining, to be paid from the general taxes in the city.

Q (Cont.) Out of that, this $12,000,000.00 of sewer debt, which I mentioned before, is not counted for the purpose of over all debt limits in the statute.

Now, that works out to be -- I don't have the exact figure, but it roughly $6.00 per capita.

Then, the two items which remain, which make up the balance, are the school debt and the debt which is chargeable to tax payers generally for general improvements; and the school debt represents $86.00 per capita out of that -- which leaves $76.00 per capita as the amount that is chargeable directly against taxpayers for ordinary municipal purposes.

Now, I think it is worth possibly going through those figures just in that form, and I hope that that is a little more intelligent than what we did with it the other day.

MR. DAVIES: I subtracted the $86.00 from the $219.00 and got $133.00.

MR. ROBISON: That's what I did, too.

A I may have -- it is shown on this exhibit, the figures -- 76 to be retired from general taxation excluding the sewer debt; and then the sewer debt is the one figure I don't have here as a separate item on a per capita basis -- oh, I see what the trouble is: I made a decimal slip: that sewer debt is 60 and not 6 -- that's what the difficulty is .

MR. ROBISON: What is the sewer debt?

A It's $60.00 per capita, and I quoted $6.00. That's what happened.

MR. ROBISON: Oh, I see.

THE CHAIRMAN: Mr. Moffat, I think if you would mark that document 30E -- I think that's the correct number of the exhibit -- and we will refer to it and be able to speak of it more intelligently.

A That's where the difficulty is, I put the decimal point one place over.

MR. HAYES: Do I understand those figures are per capita to the end of 1954?

A Yes, the anticipated situation at the end of '54.

MR. HAYES: You actually know the end of '53?

A Yes.

MR. HAYES: What was it then?

A In total?

MR. HAYES: No, per capita.

A Yes, but you are talking of the total and I haven't the break down.

MR. DAVIES: It's $300.26 gross according to the eight months statement, Mr. Moffat.

A Yes, but that excludes the local improvement item; you have to add the local improvement item in there; that local improvement item is already excluded on that $300.00 figure. I don't believe that it is dated per capita right in here; we would have to work it out.

MR. HAYES: Well, as long as we get it; we don't have to have it right now.

MR. ROBISON: Possibly that could be prepared, Mr. Chairman, and submitted at a later session.

A Yes, it could be done.

THE CHAIRMAN: Yes, perhaps first thing this afternoon; would that be time enough?

A Yes -- Yes; the gross funded debt at the end of 1953,

A (Cont.) in total for the city, $52,000,000.00; and for the schools, the public schools almost $12,000,000.00, and the separate schools $2,600,000.00.

You would have to add those three together and divide by the population of roughly 183,000.

MR. HAYES: Well, you will get those figures for us?

A Yes.

MR. DAVIES: Just to clear this up before we go on, Mr. Moffat: is it correct to say that the per capita debt of the City of Edmonton as estimated by you to the end of 1954 is $225.00 per capita still remaining to be paid by general taxes?

A Right.

MR. DAVIES: In other words, from the original $399.00 per capita we have taken out any portion of that debt that is recoverable, as I say, from property owners and so on in respect of local improvements for which the city has borrowed, and we have taken out the utility debts, and that leaves $225.00 per capita in debt that the city is going to have to pay off by taxation of its population over a period of time.

A $225.00?

MR. DAVIES: Per capita, yes.

A No --.

MR. DAVIES: That is your second calculation you gave us this morning, the second one down the line. Your statement was: we got to the $225.00, and you said per capita still remaining to be paid by general taxes.

A Yes, that's right, including the sewer item, yes; that would be the correct figure.

MR. DAVIES: And that sewer item is going to have to be repaid that way?

A That's right, but it is not in that category for the purpose of the statute.

MR. DAVIES: The 20 percent?

A That's correct, $225.00.

MR. DAVIES: Are you going to be submitting to this commission any comparable figures of other cities in Canada as to their net per capita debt?

A Well, we could see what would be available. The only figure -- the one figure that is shown in the commissioners' eight months report, which excludes the general improvement item, is available on page 3 of that report. Now, the utility debt situation leads you into complications.

MR. DAVIES: I think we are accepting the utilities as being on their own feet and being an asset of the citizens of Edmonton; and while we might be interested in that debt in discussing utilities alone, I don't think the commission is interested in it in this computation; but as a member of the commission, even the $225.00 figure doesn't mean very much to me in terms of the reference of this commission, unless you have some idea what the situation is, perhaps, in Victoria, Vancouver, Saskatoon, Regina, Winnipeg or other substantial municipal areas. If we have those figures it then permits us to make some conclusions as to the impact of the development in this area in terms of other cities.

A Yes, well, we'll have to see what we can find, sir. The only thing that is available to me immediately is what is found on page 3 of the Commissions' report.

MR. DAVIES: Of course, it must be available from the municipal branch of the Dominion Bureau of Statistics.

A In total, but I doubt if it's available for the individual cities. I have already written for financial statements from four or five of the cities roughly of the same size, and when those come in we will then see what we can do in the way of taking out the utility items.

Q MR. GARSIDE: Mr. Moffat, there was some suggestion that because of the per capita debt of the city that a land owner in Jasper Place who became a land owner in the City of Edmonton if an amalgamation went through, would be in some sort of worse position than he is now. What have you to say as to that?

A Well, it would be worse to the extent that they would have to meet those kind of debts; but those kind of debts calculated out in terms of an annual payment don't look nearly as formidable as they do when you quote them in total; and in addition to that the land owner in those areas, both Jasper Place and Beverly, will have available to him the use of all the assets which are represented by those debts, and will have available the financing facilities and so on of the city in respect of further improvements to public utilities and public works and schools in their own areas. I think it's important to take all

A (Cont.) those three factors into account when you try to assess what is involved in having these debts, in assuming these debts and spreading them over a larger area.

Q Would you say the position would be worse or better, on balance?

A On balance it would be much better, there's no question about that; but there is one aspect of it where it would be a little bit worse: $225.00 looks like quite a figure, but $225.00 calculated in terms of annual charges is quite a different thing.

MR. ROBISON: Mr. Garside, I don't want to interrupt you, but there is one thought that occurs to me: a man out in Strathcona, what will he gain actually and physically by coming into the city over what he has now? He has the use of the highways, he has the use of all the perquisites provided by the city -- what actually and physically would he gain tomorrow morning?

A You mean the ordinary residents out there?

MR. ROBISON: Yes.

A He won't gain very much tomorrow morning, but he will gain the possibility of a proper development in the area as the residential thing builds up; and he will gain whatever benefits there are from being covered in respect to fire and police to the extent that the city has better coordination into the over all area.

MR. ROBISON: Well, then, it is an ultimate gain, not a proximate gain?

A Yes, that's correct; I think that's right; but the other side of that picture is not what he will gain

A (Cont.) but what the over all equity of the situation involves in that area; that area now is paying a smaller proportion towards municipal services than in the other, than any of the other neighbors; the ordinary residents in that area compared with the ordinary residents in any other area surrounding it. He doesn't gain anything by that, that's true enough.

MR. ROBISON: He gains the use of all the city's facilities without paying.

A Well, he has got that now.

MR. ROBISON: That's what I mean.

A Yes, he has got that now; he doesn't gain that by being brought in the boundaries.

MR. ROBISON: No, that's right.

A But he is getting them and paying municipal taxes, roughly half of what everybody else in the area, both rural and urban are paying.

MR. DAVIES: What does he stand to lose if something isn't done?

A Well, again, I think honestly the individual resident in there now on a small holding doesn't stand to lose too much; but if the area builds up it is the potential future resident in there that stands to lose a heck of a lot if something isn't done; but the present thin population that's in there, those individuals, if they could be left alone would be quite happy; I don't think we need to ask any question about that; but they're not going to be left alone, the area is going to grow up; and whether they like it or not it's going to

A (Cont.) be changed; and it's a question of which way will be best for them to deal with the change that's going to happen anyway. I don't think that they are wrong in saying, leave us alone, that's the way we like it to be; but they can't be left alone; the area is going to grow up and it's a question of dealing with the growth that's coming in there.

Q MR. GARSIDE: Mr. Moffat, you also wanted to give some further explanation to the commission in connection with population growth.

A Yes, this point has come up a couple of times in discussion, and there was one exhibit which I would like to leave with the Commission and say that there will be further work done on this before the next hearing.

The point which has impressed me particularly this last week or ten days on this discussion, and which I hadn't really got into my mind up until this moment, is the extent to which this area is growing in population, not because of new people coming in but merely because of the birth rate that is going on right in the area, and the fact that the number of children here in the younger age groups is so much larger than in the other cities in Canada, and I have here the monthly review of the Bank of Nova Scotia for July, 1954, which I would like to submit as an exhibit.

THE CHAIRMAN: Exhibit 53E. Are you reading the whole of it?

A No, I wasn't planning to.

REVIEW OF BANK OF NOVA SCOTIA, AS PRODUCED, IS MARKED EXHIBIT 53E AND PUT IN.

THE CHAIRMAN: Are you reading the whole of it or are you planning to read any excerpts from it?

A No, I was going to refer to a table of figures attached to it, I was going to refer to the figures, and not read any of the actual document itself.

THE CHAIRMAN: Do you consider it desirable that the reporter should include the whole article or parts of it?

A No, I don't think so, sir. The main purpose is to establish the fact that this is a subject which is going to need further consideration, and to serve a bit of notice on the other interested people that this is a subject on which there will be something more coming along later. I might just quote a couple of figures off it: in terms of birth rate, 1953, Alberta is higher than any other province in Canada except Newfoundland and New Brunswick; and in terms of death rate it's lower than any other province except Newfoundland. In other words, the age structure of the population is such that the birth rate is very large and the death rate is very low because there is a relatively small group in the older ages.

There is also in this document a chart showing the distribution of population by age groups, showing very many more people in the under five and five to ten age groups in Canada as a whole, and even more so in Alberta, although the chart is not here.

Now, there are also figures for the individual

A (Cont.) - cities which make it clear that Edmonton is an even more exaggerated form of the same situation; so that even if there is no further immigration, no more people come to the city, and no more industrial development takes place other than what we already have, as that growth in the under ten ages now, as that group reaches marriage age and starts to establish their own homes, you will have a growth figure there quite regardless of whether or not the industrial growth continues at the present level.

THE CHAIRMAN: Mr. Moffat, there are no extra copies, I take it, of this; and if it is to be put in as an exhibit it seems to me that if you want to mark sections that should be read into the record or that table which you referred to, that that should be included -- or else we should seek to get a sufficient number for the purposes of the commission from the bank.

A Yes, I was going to suggest that I would write to the bank and see if we could get some extra copies.

THE CHAIRMAN: Very well.

MR. HAYES: We are ahead of Quebec?

A Yes, that's true, Mr. Hayes. It's not in terms of the birth rate per family, but it because of the age structure, that they have so many older people in their population that it pulls the averages.

If you take it in terms of numbers of children in families where the parents are around 30 years of age, you get a different picture; but the thing is: there are a lot of those type of families in this area.

MR. GARSIDE: Mr. Moffat, what have you to say to the Commission with reference to the boundaries of the proposed metropolitan area, and any further information you have gained as to that?

A Well, the Commission asked several times for something a little bit more definite on this question of boundaries; and I am prepared to go a considerable distance farther on that subject. I think what I have to say might be followed better if everyone had one of these maps in front of him.

THE CHAIRMAN: Which one is that?

A Well, it's the outline general plan map of the District Planning Commission.

THE CHAIRMAN: Not the colored one?

A Not the colored one, no.

MR. GARSIDE: Perhaps you can identify it better by looking at this one.

A The "Journey to work" maps have the same information on them.

THE CHAIRMAN: Very well; I think now we have approximately the same map that you have; they have different items on them, but --

A Yes, but the "journey to work" maps are on the same basis, and there are several other maps. I am going to make the references in terms of section numbers so we will be able to follow it on any map which has the section numbers marked.

Now, the basic approach has been that the attention -- attention should be in the first instance to the full area which is covered by the greenbelt of the metropolitan area.

THE CHAIRMAN: The outline general plan?

A Yes, but the assumption is, and the city certainly strongly supports this, that whatever is done with respect to city boundaries there should be a strong regional group still in authority to deal with the adjacent area; and consequently, the proposal is that the area should be cut down a little to leave more of this greenbelt under the control of the regional planning people rather than the city authorities, and to consider limiting the city's boundary to that part which is likely to be filled up residentially within the period that we have been talking of, approximately.

Now, on that basis if we begin up in the north east corner there is that little section north of the railway, sections 27,28 and 29, north of the river, which would definitely not be involved.

Going down into the opposite corner: section 28, and then section 21, 22, 16 and 15.

MR. ROBISON: You mean below that, right due south?

A No, I mean in the very opposite corner of the map, down in the south end of Jasper Place, in the very opposite corner of the map.

MR. McKENZIE: What were those references again, please?

A I said, first, in the northeast,

MR. McKENZIE: Oh, I see.

A Those three sections there that are cut off by the river; and then going over into the very opposite corner of the map, the corner down below the south of Jasper Place.

MR. McKENZIE: What were your references there that you were not going to include?

A 28,21 and 22, 16 and 15.

And then going into the Northwest corner, up to the north end of Jasper Place, and doing the same kind of thing we exclude sections 9, 16, 21, the north half of 22, the northwest quarter of 23, the southeast of 27, and all of 26. In other words, it's taking that whole corner right off the green-belt. What that corner amounts to really is cutting that corner down to practically the outside edge of the area that's zoned "industrial" at the moment.

Then, taking one more area down in the southwest corner on the other side of the river, taking out the loop of the river there, sections 10, 11 and 12.

THE CHAIRMAN: What were those again?

A 10, 11 and 12, and the piece that's inside that loop in the river there.

MR. ROBISON: Part of 16 and part of 9?

A That's right, sir; and part of 15 -- there is a little corner of 15 in there, too.

Well, now, I come to an area just a little bit more difficult to deal with, and that is the area straight north of Calder, 25, 30 and 29.

29 includes the military district development which is owned and operated entirely by the Department of National Defence.

They have their own arrangement for schooling, they have their own sewer and water in there which was put in there by them at their own expense but tied into the city's system.

The pay no taxes to anybody, either to the rural

A (Cont.) municipality or to the city.

The own an area to the west of themselves on the southwest quarter of 29, which gives them some protection in the event of development.

The area farther west there: 25 and 30 is not at this stage showing much signs of urban type of development coming in very quickly, and on the basis of those kind of factors, the suggestion is that that area probably should be excluded, but that it will require separate consideration just to make a firm decision on that area as a block, but it probably should be excluded also from any consideration of this sort.

Then, coming over to the east of that -- in other words, east of the highway at 97 Street, which is section 28, 27, 26, 25 and 30 -- the considerations there are that the highway communications up 97 Street give a fairly reasonable expectation that there will be some development on the east side of that highway opposite the military development.

When you get over to the north end of North Edmonton, which is along the road between 27 and 26, again there is a little bit of development already started in.

When you get over into 25 again there is a little bit of development along the Fort Trail.

So the position there is the reverse, and is that that probably should be taken in -- but it should be looked at as a separate consideration just to reach some kind of a conclusion; but that area -- you might put it this way: lean more towards putting that one

A (Cont.) in and lean more towards putting the other one out along that north side.

Now, in coming down on the south side, right at the end of 109 Street, and 102 Street, sections 7,8 and 9 -- the same position there with respect to the area I was just discussing. The urbanization is beginning to take hold in that area. It hasn't gone very fast yet, but that area ought to be given separate consideration, leaning towards the idea of putting it in with the city.

Then, taking around on the southeast side, section 10 -- starting at the bottom there -- section 10, 11 , the east half of 14, all of 13, and then skipping over to 29, and then the west half of 34 and the west half of three and the southwest quarter of 10: those are all true greenbelt in the sense that they are included in the plan for the purpose of having a buffer between the industrial area and the agricultural area.

MR. McKENZIE: Mr. Moffat, would you run through those numbers again? These are ones to be excluded, are they?

A This last group?

MR. McKENZIE: Yes.

A The idea is that they should be looked at separately, but leaning towards excluding, yes.

MR. McKENZIE: Now, would you give me those numbers again?

A 10, 11, the east half of 14 --

MR. BLACKSTOCK: Not too fast, Mr. Moffat.

A 10, 11, the east half of 14, and then all of 13,

A (Cont.) and then jump up to 29, up above, you see --

MR. McKENZIE: Yes.

A And then jump again over to --

MR. McKENZIE: Is it all of 29?

A All of 29, yes; and then jump again taking the west half of 34, the west half of 3, and the southwest quarter of 10.

MR. McKENZIE: What was the last one?

A The southwest of 10.

In other words, you leave that one quarter on there as protection along the highway development.

Those again, now, are in the category of things that should be looked at but probably excluded.

Then there is one other small area that I have not dealt with, and that is immediately adjacent to the Stony Plain Road: 4 and 33. The considerations there are these: there is apparently some slight development along the side of that road, either actual or in prospect.

On the other hand, that, as it is now outlined, would be the only area of any real significance that involves the Stony Plain Municipal District, and for that reason that area might be looked at as a separate consideration. Now, there is a little piece of Stony Plain Municipal District involved --.

MR. ROBISON: Looked at "in" or "out"?

A Looked at probably on the outside, leaning towards the idea of leaving it out, but looked at as a separate consideration.

Now, the other piece of Stony Plain involved is

A (Cont.) right in the railway area in the north end of Jasper Place.

MR. ROBISON: I would hope, Mr. Moffat, speaking for myself, that come November 22nd, the city would let us have maps showing this with some legends on it and probably a memorandum of argument.

A Yes, that's definitely what --.

MR. ROBISON: Marked maps.

A We will have the maps. Now, how complete the memorandum will be is something else, but we will have the maps.

MR. McKENZIE: One other area I was wondering about is north of Highway 16, east of the river. You haven't mentioned that yet.

A No; the idea there is that that is an area there that probably should go along with the industrial area.

MR. McKENZIE: And would be included, then?

A And would be included, yes, because that has got water and both railway lines.

MR. ROBISON: Which one is that, Mr. McKenzie?

MR. McKENZIE: North of Highway 16 east of the river. There is an almost rectangular block there .

A It's really just to the north and a little bit east from the chemical plant.

MR. ROBISON: What sections?

MR. McKENZIE: Sections 16, 17, 20, 21, the west half of 22, the west half of 15, and that little piece in the bend of the river.

A That piece is a combination of logical development, combination of park and industrial. It's one or the other. To leave it out would leave it as a little neck sticking in there which is really not typical

A (Cont.) agricultural land; so the thought is that that should stay with the industrial area.

MR. ROBISON: You see, Mr. Moffat, what we haven't got is what you are proposing or recommending be included, you see.

A Yes, I know; I am perfectly aware of that.

MR. ROBISON: It's all right to say, "this is in and that is out," but is everything in within those boundaries that you have set out?

A Yes, I think that's the way the position comes: that the city is advocating that everything within those boundaries that I have outlined now should stay in; and that there are these two or three areas where separate consideration should be given to whether extra should be added in.

MR. ROBISON: And that would include the whole of this Strathcona industrial area, of course?

A That's right, and the whole of Jasper Place and the whole of Beverly, and then a separate look at a little piece on the north side, and on the south side and on the west side.

THE CHAIRMAN: Mr. Moffat, would it be possible that a base map like this be taken and the areas which you have indicated -- if the city has reached a firm opinion as to what should be left out -- would it be possible that they be marked, that such a map be prepared in the next three days, say, so that we would have an opportunity of considering it; because if this is left until the 22nd you can easily see

THE CHAIRMAN: (Cont.) how much we will have on our hands then, and --.

A Yes.

THE CHAIRMAN: -- and we would like to have this, and as a matter of fact I would like to even look at some of it .

A Yes, well, I certainly couldn't get it into my head until I did this very thing on this map, that very thing on this map and I think we should try to do it by this weekend, if we possibly can.

MR. GARSIDE: Oh, I think you're perfectly right, that we should do it; you have asked for it and you need it, and I think we should provide it.

THE CHAIRMAN: Thank you, Mr. Garside. I must say you are very cooperative and we appreciate it very much.

MR. DAVIES: That would show, I presume, the boundaries of the city, the existing boundaries of the city, say, in one color, and then would show the proposed enlarged boundaries proposed.
We would want to see it, Mr. Garside, in terms of the existing boundaries.

MR. GARSIDE: That's right.

A Yes, I think it would show the existing boundaries, the areas that the city would like to take in, the areas that the city still leaves in the doubtful category, areas within the greenbelt which the city would like to see left out, and that probably would be it.

MR. DAVIES: Then I would presume on November 22nd, Mr. Moffat, that you would be able to give us a table indicating how many acres there are in the proposed enlargement to give us some indication what the views of the city are in respect of what those addition areas would be needed for, and what it would mean in terms of population and so on.

A That's right.

MR. DAVIES: That would be understood?

A Yes, that was the plan: to do as close as possibly to that, and to give the information separately about this area which is still left in the doubtful category, so those areas can either be added in or taken out.

MR. GARSIDE: Mr. Chairman, the evidence which might be given later on may be such as to call for the city to modify its view in that regard, and I think that you said we would be able to do that.

A Oh, yes, it would definitely have to be left in that category.

THE CHAIRMAN: Yes, of course.

MR. McKENZIE: After Mr. Gertler's talk on the probable growth of population in the area your first impression was that the room for expansion within the greenbelt would probably not be adequate; and having regard to that it seems to me that you are cutting out a lot of area that you then did have in mind for further expansion, and I would like to know how long, in terms of Mr. Gertler's forecast, this would provide for expansion.

A Well, that's one of the questions we have spent a good

A (Cont.) deal of time discussing. I don't want to commit Mr. Gertler, but he and I have been over this thing pretty thoroughly. These are my proposals, not his, and I am not trying to pass any responsibility to him, but we have discussed it.

Those figures that he was quoting were in terms of population which could be accommodated in areas zoned residential within the inner ring.

Now, if you assume that at some stage the city has to change it, and put residential into the inner section of the greenbelt, then you can get some more living accommodation; or if you assume that the optimum plan idea sticks, then you say when we get to a certain size we go into a subsidiary town in the area rather than further growth in this.

In that event you get into that situation, but his figures were for a residential area inside the greenbelt. They didn't envisage taking the greenbelt as residential. Therefore, it is these greenbelt strips we are suggesting might be taken off, they were not included in this residential area.

What is really involved here is putting the greenbelt under the regional authority or putting the greenbelt under the city; but the residential area, and a little more actually, is still in here, even on the basis that I outlined this morning -- as compared to what he was talking about.

MR. McKENZIE: Well, then, this boundary would be roughly the optimum city in terms of your present thinking?

A Well, in terms of his present thinking, or the planning people's present thinking.

I am very reluctant to talk "optimum" -- or proper, as you discovered the other day, but in terms of -- this will within itself leave room for the residential growth for somewhere around 20 to 30 years.

I think the answer is "yes" at that stage; you either have to start encroaching into greenbelt or talk about the "optimum" idea and a satellite community.

MR. GARSIDE: Mr. McKenzie put out to you certain figures from this pamphlet "Manitoba Provincial Municipal Report" indicating the percentage increase in total federal taxes in 1939, and the date of that report --

MR. ROBISON: What page, Mr. Garside?

MR. GARSIDE: Page 43, sir -- showing the total federal taxes -- percent increase between 1939 and 1941 -- I should say -- 1939 and 1951, 699; total provincial taxes 272; total municipal taxes 95.

I would like you to tell me, when you use the phrase "total provincial taxes", does that mean Manitoba taxes or Alberta taxes, or the general average provincial tax?

A That's the average total for the nine provinces -- excluding Newfoundland because Newfoundland was not in in 1939; but it's the other nine provinces.

Q And that's the same thing, of course, in regard to total municipal taxes?

A That's right.

Q That is for over the whole of Canada?

A That is for over the whole of Canada for the nine provinces.

Q The next page is table 15 --XV; and relating the relationship so far as Manitoba is concerned, you show the total provincial tax percentage of increase, of 1939, as 178 percent; is that right?

A Yes, that's the Manitoba provincial taxes as a percentage of Manitoba provincial taxes in 1939.

Q Now, between the dates mentioned here: 1927 and 1951, the province of Manitoba had no revenues by reason of the discovery of gas and oil, had it?

A None whatsoever up until that point; they have some now but up until '51 there was nothing.

Q Now, could you give us or make up for us the figures for Alberta corresponding to the figures you show here with regard to Manitoba?

A Yes, it could be done, but I don't have it.

Q Well, would you do that?

A Yes, we can get those figures in. They will certainly show a much bigger increase in the provincial revenue, there is no question about that.

Q Yes, well, that's one of the things that I thought we should deal with for a moment or two. We have been talking about the impact of oil and gas on the municipality; let's talk for a moment about the impact of the discovery of oil and gas on the revenues of the province. Would you say they have been very great?

A Yes; they have been great not only on the tax side but on the capital side as well. Any tabulation like this on the basis of taxes wouldn't cover the revenue

A (Cont.) from the sale and lease of rights.

Q Well, what I am thinking about is this: reference had been made at the hearing about the refinery companies and so forth not paying their fair share. Now, my suggestion is that they will say they have paid their fair share because they are paying the municipal taxes required of them, plus a large sum of money to the province by way of royalties and things like that. Do you think my suggestion may be not unreasonable?

A Well, they may say that, but I wouldn't agree with it if they do say it that way.

Q But coming to that point, the impact of the revenue from oil and gas has come, so far as the production of oil and gas is concerned, from a relatively small area around the City of Edmonton. I am speaking now --.

A Yes, I suppose -- it depends what you mean "small"; it is within a hundred miles of the Edmonton area.

Q I am speaking of the Redwater and Leduc discoveries?

A Yes.

Q Would you say that the City of Edmonton and its surrounding area has been more affected by the discoveries of oil in this location than perhaps elsewhere?

A Oh, yes, there's no question about that. The two factors have been in there: the general growth that is going on in all the urban centers, and the new oil and gas and subsidiary industries in this area -- the two things come together here, and you can see it in practically any set of figures,

A (Cont.) the fact that this is concentrated here much more heavily than anywhere else.

THE CHAIRMAN: I'm sorry to interrupt you but we like to give the reporter a bit of a recess, and I assume that you have some other questions that you wish to follow with?

MR. GARSIDE: Yes.

THE CHAIRMAN: Well, we will adjourn but I think we will have to shorten it to ten minutes after 11:00.

(At 11 a.m. this date the hearing adjourned until 11:10 this same date and reconvened.)

THE CHAIRMAN: All right, Mr. Garside, if you are prepared to continue --.

A I wonder, Mr. Garside -- I didn't get a chance to speak to you -- I wonder if I could just before we start go back to re-emphasize something that I said: this idea in terms of boundaries which I just presented, for practical purposes it means putting the greenbelt out into the area that would be under the control of the regional planning authorities; and I mentioned in the beginning and I would like to repeat it again that that implies a very strong regional planning board with a lot more authority than it had in the past.

MR. ROBISON: Well, I was going to come to that question again: has the city any recommendation to make?

A Yes, they will be making some recommendations, and they will be in the direction of strengthening these authorities quite materially, and in terms of some sort of an appeal arrangement, making some facilities of that sort, but compulsory membership and stronger executive powers. That is implicit in this, and also implicit in it is that that authority will then pay a good deal of attention to the development of the city as such, and particularly where the city spreads out into the rural. I just wanted to restate that again to be sure that it would be on the record and in people's minds as implicit in this suggestion.

Q MR. GARSIDE: In connection with the question I was asking you before -- I think it was to the effect that the municipalities in this area had been very greatly affected by the discovery of gas and oil at Redwater and Leduc, and I think you said, yes.

A Yes, both by the discovery and by the fact that the processing and chemical industries and the oil well service people and people of that sort have located in the region of the metropolitan area.

Q And those forces, of course, are external to Edmonton and the Edmonton area, the pressures that come from forces external to the city?

A External to the municipality of the city, yes; and you have the two things building one on top of the other: the general growth, general urbanization that is going on everywhere, and this on top of it -- both of them have been external to the municipality of the city, yet the city as a corporation has to

A (Cont.) make adjustments to fit into that, and spend terrific amounts in the way of extra capital costs.

Q Is there any way of obtaining figures which would indicate what revenue the province, the provincial government receives from the refinery area?

A I doubt if the provincial government as such receives very much from the refinery area. They receive a great deal from the oil field area, but the revenue from the refinery area as such is primarily going to be reflected in income tax on the corporations which will come back in the grants from the federal government to the province.

Q Then, you would say from the oil and gas wells in the vicinity?

A Yes, that's where there would be big provincial earnings.

Q And you could get figures of that kind?

A I imagine so; I haven't tried, but I imagine so.

Q What I am leading to there is this, that in the amount of money that the government is getting as a result of the gas and oil discoveries in this area, which is a very great sum, they may not have been paying the municipalities a sufficient share of those revenues.

A Yes, well, if I could make you a little speech, Mr. Garside: my approach to this thing is in terms of considering that the people of Alberta have authority and responsibility for certain things, exercised through the legislature; and the legislature

A (Cont.) says certain things will be handled by authorities directly under the provincial cabinet, and certain things will be handled by authorities elected locally; and when there is a major change in the tax revenue that is available, and there is in the case of oil and gas revenues, then there is probably need for a reassessment of what has been done in the past, and to line it up in the light of new circumstances.

Now, I am not fully familiar with what has been done in that regard in Alberta, but certainly that is the kind of thing that has to be reassessed every so often, and work out a new allocation of revenue responsibilities as between different groups.

Q But the point is: there are certain extra burdens which you say have come to the City of Edmonton and the surrounding area by reasons of the discoveries I have mentioned.

A Yes, and certain additional revenues that have come, and the revenues may not be enough. It needs to be looked at. I am not in a position to give any opinion on it except the kind of thing -- except to say it is the kind of thing that has to be looked at every so often.

Q But you think it is a matter that should be looked into?

A Yes--well, I don't think I am in a position to answer that question too thoroughly. My own inclination is to think that that is a problem that has to be looked at on a province wide basis rather than simply City of Edmonton or City of Calgary .

Q Even though the monies received -- at least, the discoveries concerned, have benefited the province as a whole but have created burdens in two distinct areas?

A Well, they have created burdens in other areas as well, though, and it looks to me as though that is the kind of thing that needs a general survey over the whole province, rather than the two main urban centers.

Q Now, in your evidence I think you said that not only had the population gain been very heavy in comparison to other municipalities, in this Edmonton area, Edmonton itself, but also that there was a very large proportion, a much greater proportion of children in that group.

A That's correct.

Q So that the burden of Education, for example, is likely to increase?

A Oh, yes, very dramatically; you can see that happening all down the line. The number of children in grades 1 and 2 and 3 as compared with the number in grades 7 and 8 and 9 shows up all the way along the line.

Q Have you finished your answer?

A I was just looking for, sir, -- here they are -- the percentage increase from the civic census, the percentage increase in the population under 21, and the percentage increase in population over 21. From 1946 to 1954 the population under 21, according to the civic census, increased 88 percent; the population over 21, 64 percent. Now, if the figures were available for, say, under 12 it would be even

A (Cont.) more dramatic. Unfortunately that is not available in that much detail.

Q I think Mr. Hu Harries filed an exhibit which consisted of a survey he had made for the Edmonton Chamber of Commerce; do you have a copy of that? Have you had a copy of that?

A Yes.

Q Have you read through that?

A I read it sometime ago, and then I took the opportunity just to look at it quickly, and I was struck by the first paragraph.

Q And what does that say?

A " Since 1948 --"

This is based on the situation in November, 1951 --

"-- since 1948 abnormal population increases in the City of Edmonton have resulted in additional debt costs of almost twenty million dollars. This abnormal population increase is due entirely to oil activity. The annual extra cost is $7.00 per person, or the equival of almost 10 mills on the present tax ratio."

and the next sentence:

"The cost of abnormal population increases will double within the next five years if no effective action is taken to stop these increased costs."

Q Now, as I understand it, that is the conclusion which Mr. Harries came to after having made this survey as to the impact of the gas and oil development on the city; is that right?

Cont.)

... more dramatic. Unfortunately, we
not ever learn in that much depth.

Q I think Mr. Harries filed an analysis which
consisted of a survey he had made for the Edmonton
Chamber of Commerce; do you have a copy of that?
Have you had a copy of that?

Yes

Q You read through that?

I read it sometime ago, and then I took the presentation

Q And what does that say?

This is based on the situation in November, 1971
-- since 1971 abnormal growth in the Edmonton
in the City of Edmonton have resulted in
additional debt costs -- roughly [illegible] million
dollars. This abnormal growth [illegible] area is

17,000 per month,

almost 10 million on the chamber's [illegible]
and the next sentence:

"The cost of abnormal population increases will
double within the next five [illegible] years."

A I presume so, yes; this is what he was trying to do.

Q Have you had occasion to examine the figures upon which he bases those conclusions?

A Not too thoroughly. I have looked at them but I couldn't talk details about them; but they are the general sort of thing that I would do if I was trying to get at that kind of problem, yes.

Q Did you find anything in those statements or figures which would contradict the statement which he made in the front part of the brief?

A No.

Q Then, there is just one last question I would like to ask you --

A Although -- there are no figures in here but I would raise the question about this statement:

"This abnormal population increase is due entirely to oil activity"-- I would still like to qualify that; I don't think it's "entirely" oil, but the big part of it is.

Q The question was raised during the course of the hearing to the effect that the refineries established in the Strathcona municipality had established there because of the low taxation. Now, what have you to say with reference to that general question?

A The general considerations we have discussed two or three times, but there is one point that has not come out in that connection, and that is that they established there when the taxes were still high. The tax reductions have only come last year and this year.

I presume so, yes. This is what he was trying to do.

Have you had occasion to examine the figures upon which he based those conclusions?

Not too thoroughly. I have looked at [illegible] I [illegible] material about them but [illegible] the general sort of thing that [illegible] I was trying to get at the kind of problem.

Did you find anything in those statements or figures which would contradict the statements which he made in the front [illegible] the world?

No.

Then there is just one last question I would like to ask [illegible]

If though [illegible] there is no figures in here but I would raise the question about this statement [illegible] [illegible] is now entirely to oil activity. I would still like to qualify that [illegible] I think this testimony [illegible] the rest of it is.

The question was raised during the course of the hearing to the effect that the reinvestment [illegible] in the Stratmount municipality had actually [illegible]

A (Cont.) The industries went in there ahead of that. Now, they may have anticipated that to some extent, but the first ones in there certainly could not have anticipated that the thing would go to this extent, and when they went in there the tax level was not so far out of line.

MR. DAVIES: Can you tell us what the mill rate was then, Mr. Moffat?

A Well, the only thing I have here is a note as to the school mill rate, which presumably is an indicator as to what the total was. All I have is the total for the last two years; but the school mill rate which Mr. Hawkins quoted yesterday afternoon, stayed pretty flat until this year, and then it starts to drop.

Now, I don't have them back beyond the last two years.

Mr. Hawkins tells me he will be putting them in as an exhibit in a few minutes -- if he gets on the stand next -- but the basic pattern is that they were approximately in line with their neighbors and everybody else until the last couple of years, and then they started to drop.

MR. ROBISON: Has the city any evidence or seen any statement which would indicate that the oil industry established itself out there having regard to the tax situation or the assessment picture? In other words, that the assessment and taxes were an influence, a leading influence in going to that location?

A No, I haven't seen anything to that effect, and I have made a good many enquiries; I have been told

A (Cont.) that they inquired whether it would be possible to get some commitments on the subject, but my understanding is that no commitments were made by anybody, and I don't think they could have been made by anybody; but I have not been able to get any evidence either way.

MR. ROBISON: Is there any evidence that other factors influenced them strongly in going out there?

A Oh, very much so, very much so; the ones that have been discussed several times. Mr. Davis of Calgary put them in. I read that section to Mr. Gertler and asked him the other day, and he confirmed it; and then someone asked me and I repeated it: location, water, rail transport, close proximity to a good residential facility, facilities in the downtown area for recreation and so on for their employees -- all those things added in together have been much more important than taxes.

MR. ROBISON: I would like to see any evidence that is available as to whether taxes or assessment had anything to do with their going in there.

A So would I -- but I haven't seen it yet, sir.

Q MR. GARSIDE: So as to get it formally on the record, I would like to quote from volume II of the Royal Commission on Metropolitan Development of Calgary and Edmonton at page 213. This is a quotation from the evidence of Mr. Davis.

MR. BLACKSTOCK: That's the Calgary volume, is it?

MR. GARSIDE: Yes, the Calgary volume:

"There is another factor which has been brought into the picture in regard to the general

Q (Cont.)

"engineering, and that is that cities in Western Canada must move westerly, in the direction of the flow of the rivers. If we are to have any development of industrial sites at all, our first prerequisite is, are there ample supplies of water, and, secondly, we must have a source of water which is relatively free of polution, and the means of getting rid of this same water so that it will provide a minimum of contamination having regard to public use farther down the stream.

This situation exists in two places in Alberta, in major centers; it exists in Strathcona and it exists south of Calgary. It is not by any accident that some of the finest executives and some of the highest paid corporation men on the American continent have bunched their very heavy expenses in a very limited area in the Strathcona district. I would suggest to the commission that this would have been done irregardless of taxes, because the assessment and tax problems followed after the proposals were put forward, and the result of the high assessment and resulting low mill rate was subsequent to the setting up of these utilities. These utilities were attracted to these areas before the question of taxes and assessments ever came into the picture."

Now, you have heard that statement of opinion in reference to certain areas in Strathcona. What have

Q (Cont.) you to say as to whether you adopt that opinion or you agree with it?

A Well, I agree with it very thoroughly. I don't know the details of what consideration was given to them, but certainly in general principles I am convinced that the amount that is paid in local taxation as a percentage of the total cost of establishing a plant like that is so small that it is bound to be one of the relatively less important factors by comparison with the other factors that would have to be taken into account.

Q There is just one final question I notice here: in the Mayor's brief, and I think in your own, too, mention is made that the sitting of this commission represented an opportunity of recommending adjustments in area which, if taken advantage of, would prevent a great deal of waste and unnecessary expenditure for the future. Would you explain in some detail what such a great deal of waste and unnecessary expenditure in the future would be?

A What was in mind there -- I believe someone asked me practically the same question either yesterday or the day before -- what was in mind there was the fact that extension on to an existing system of utilities would be much more economical and much more efficient for the same cost than to start from scratch and try to build up a new one. Secondly, that if those facilities are put in at the time an area is developing they would be much cheaper and much more efficient than if the area builds up in the form of fairly numerous small isolated holdings

A (Cont.) and then gradually reaches the point where facilities are required and then you have to start in putting in sewer and water amongst existing houses; thirdly, the situation with respect to the lay out of streets and roads where, if a plan is one that extends out overthe area beyond the built up limits so that the road right of ways are held clear instead of having to buy the property up afterwards -- and you might take a fourth one, in terms of fire control particularly where the facilities that are available for downtown can be used effectively in a good part of the suburbs, whereas if the suburbs start trying to build up their own they have to duplicate services in quite a few cases.

Now, that one can be looked after to some extent by agreements, but then you get into the question of who is paying a fair share of costs, and how you are going to allocate costs.

It is factors of that sort, and you might add one factor outside of the physical aspect of it, and that is the coordination of borrowing and financing; the fact that one centralized financial administration can handle this kind of things much better than five or six separate ones; therefore saving on administration and saving on interest rates, all the way down the line inthe financial picture.

MR. GARSIDE: Thank you.

MR. DAVIES: Mr. Moffat, I would like to put this theoretical question to you: let us assume that this Commission in its wisdom or unwisdom decided to let

MR. DAVIES: (Cont.) Jasper Place and Beverly just sit the way they are, and the M.D. of Strathcona sit just the way it is, could you envision in five or ten or fifteen years a mess developing in this area which would be in any way similar to the mess that has developed in the Toronto area?

A What did you say? Ten years?

MR. DAVIES: Well, I am willing to extend that. I am not thinking of it in terms of population so much -- which we naturally couldn't -- we could hardly anticipate that -- but I am thinking of it in terms of planning and problems that arise, problems that would arise in the whole metropolitan area.

A Well, it would be reflected primarily in the population factor. It depends on how quickly the residential areas had to be extended out into the area outside the present city limits.

It is when that happens that the thing develops into the "mess"--as you call it -- and that is going to happen very quickly in this area. Another roughly five years, probably, will fill up the residential area within the present city limits.

Once it begins to spill over the boundaries it begins to run into this kind of problem, particularly the highway traffic aspect of it.

MR. DAVIES: I was thinking more or it this way: that if the commission did nothing and let everything sit the way it is, would you contemplate numerous problems in respect to water supply in the general area, sewerage, zoning and all sorts of problems?

A Yes.

MR. DAVIES: And financial problems and school problems -- and general mess? Is that what you would expect?

A Well, " general mess" is pretty strong. I wouldn't want to put it quite as bad as that; but you will get very quickly into sewerage and utility problems as soon as the residential area has to go out past the city boundaries. You are into trouble on the educational already -- very seriously into trouble on education already.

MR. ROBISON: I was going to suggest instead of a "mess" we might call it a "modest muddle".

A Yes, I would certainly go along with that kind of a description, yes.

The important thing is that this kind of Commission only happens once in a long while, and if a Commission of this sort sits and goes over the thing and then, as you say, leaves things alone -- that confirms an awful lot of people who are inclined to have their prejudices in that direction anyway, and it makes it very very difficult to re-open the subject for a long long time, and I think that aspect of the thing has to be considered. It's one thing to leave an area alone without investigating it; it's another thing to investigate it and then leave it alone -- that makes it much more difficult to re-open the subject if some need does come.

Now, that's not to say that I don't think the time has come already. I am saying to you even if

A (Cont.) you assume that the time still isn't quite ripe yet, there is still that kind of consideration.

MR. ROBISON: Mr. Moffat, before you stand down I would like to ask you: are you familiar with the work of Professor Griffiths of the University of Toronto?

A No.

MR. McKENZIE EXAMINES THE WITNESS:

Q There are three short questions I have, sir, arising mainly out of this morning.

In the operation of the District Planning Commission and the recommendations at present of that Commission, are those recommendations at present of that Commission as effective within Edmonton as within other member municipalities? In other words, are the recommendations of that Commission applicable to Edmonton, or is it just to the surrounding municipalities?

A I'm not sure of that. I think the answer is "no". Now, I'm not sure of that. I know the city has it's own authority for subdivision wherethe regional planning authorities have the subdivision question in the surrounding municipalities. On the question of layout of zoning and that kind of thing I think the regional people are advisory in all cases, and the local municipality can ignore their requests or the city can ignore them. Now, I'm not strictly sure of that answer, but I think basically that is the situation.

Q Now, yesterday in dealing with this question of schools requisitioning or not requisitioning you made a statement that I wondered if you could give me an illustration of or perhaps amplify. I believe your statement was to the effect that history has shown that education must be given some advantage. Now, can you give us an illustration of what you had in mind there?

A No, I don't think I can give you an illustration other than the general fact that the people who have investigated these things over a long period of time, have always set them up on that kind of a basis.

We have had plenty of royal commissions dealing with the setup of local government; we have had the constitutions that brought in the provincial setups in each of the western provinces; and they have always come back to pretty much the same thing with the exception of the experiment now here in Alberta.

Q And the practice in England?

A The English have apparently reversed it just within the last few years. The general attitude started farther back and it has been growing more in that direction in England.

Q What I was getting at was: is there any reason to believe that if there were a metropolitan elected government, a metropolitan elected governing board or an area cabinet, that it would deal adversely or unfairly with the just requirements of education?

A Well, you are only back on opinion again. I am fairly strong in the personal opinion -- or prejudice,

A (Cont.) if you like -- that education on that kind of a thing wouldn't do as well as I would like to see it do -- if you can put it in that kind of terms.

Q Now, the third item has to do with the national defence installation just to the north of the city here.

A Yes.

Q And in your outline this morning you said you had not yet come, or the city had not yet come to a conclusion whether the Griesbach Barracks should or should not be included.

A No, I said that the leaning at the moment was towards leaving them out.

Q Yes.

A I might clarify that a little bit: it's really not a leaning toward leaving them out, it's a leaning toward leaving things alone and not stirring it up when it is operating reasonably well the way it is.

Q Now, I was looking at this list of agreements between the city and adjoining areas. Item 21 is an agreement between the city and the Queen in the right of Canada, providing for fire protection for Griesbach Barracks.

A Yes.

Q Now, certainly -- it struck me that there is nothing relating to other things that presumably the city must supply such as water and sewer --.

A Well, they sell water to them on some kind of an arrangement.

Q There is no special contract?

A I think it is a selling price -- I don't know whether there is a separate contract or not, but there certainly is a selling price there; it is somewhat similar to what it is in Beverly, for instance: sold on a meter basis or something of that kind. There may be a contract -- I'm not sure.

Q The next item is the city of Edmonton and the Minister of National Defence dealing with the supply of electrical energy to Namao Air Station.

A Yes.

Q Would there be a comparable contract for supply of electrical energy to Griesbach Barracks?

A I don't know -- or is that Calgary Power -- I am not sure.

MR. GARSIDE: We'll find that out.

A There is also a water line that goes right out to Namao which is a somewhat similar kind of arrangement --.

MR. GARSIDE: Mr. McKenzie, the answer is, Calgary Power.

MR. McKENZIE: To Griesbach?

MR. GARSIDE: Yes.

Q MR. McKENZIE: What I was wondering was: what basically is the effect on planning of having this sort of autonomous installation within the boundaries of the city, and whether there was any recommendation the city had in that regard from the over all planning stand point.

A No, except that that kind of installation, whether it is in or out, is going to have that kind of difficulty with it; and the basic thought is that the thing is established and is there, and it might as well be left in about the same position as it is now -- unless there is a good case for changing it which at the moment we don't see.

THE CHAIRMAN: Are there any other questions to be asked this witness?

MR. GARSIDE: I would like possibly to ask one later on.

Q MR. BLACKSTOCK: Supposing we left the whole matter in the laissez-faire condition that Mr. Davies suggested; wouldn't that accentuate your fringe problem -- or perhaps not accentuate it but would continue it?

A That's right, very much so.

Q MR. BLACKSTOCK: And it might continue it to such an extent that it would be uncontrolable and impossible to deal with.

A Yes, that was the Toronto "mess" -- as Mr. Davies called it -- that was the one that really crystallized that in Toronto -- the fringe development which cut down the arteries on the main roads to where they couldn't get in and out. That was the one that dramatized the problem for downtown Toronto.

Q MR. BLACKSTOCK: Then, on your educational question -- correct me if I am wrong -- I had this impression from that, from what you said, that if the municipality was faced with the need for certain services, including education, and couldn't furnish

MR. BLACKSTOCK: (Cont.) them all, that education should have priority.

A Yes; now, I realize that that leads to difficulties if they begin to assert their priority too far; but I would sooner see them have some priority rather than none at all; I would like to take the risk of them over asserting their priority rather than to take the other risk that they might not get as much as I would like to see.

THE CHAIRMAN: Mr. Moffat, would it be fair to say that Mr. Blackstock's interpretation of your remark would be the explanation of your comment that education should enjoy a somewhat slightly more favorable -- would that be covered by what --

A Yes; and I am afraid that in some cases the present set up gives them a little too much, but I haven't seen an alternative that doesn't lean a little too far in the other direction. Nevertheless, I must say I was quite impressed with the figures that I quoted yesterday showing the increase on expenditures, that the school expenditures when you looked at them in that kind of terms hadn't got so far out of line as some first impressions would indicate.

Q MR. ROBISON: Mr. Moffat, we have all been reading in the paper of this tragic disaster that has struck Toronto. This is rather theoretical possibly, but do you suppose Toronto is able to deal with this situation, with the situation there that has developed by reason of this tragedy, better because they now have a metropolitan setup, than they would have if they had been in this rather heterogeneous complexity

MR. BLACKSTOCK: (Cont.) them all, that education should have priority.

A Yes; now, I realize that that leads to difficulties if they begin to assert their priority too far; but I would sooner see them have some priority rather than none at all; I would like to take the risk of them over asserting their priority rather than to take the other risk that they might not get as much as I would like to see.

THE CHAIRMAN: Mr. Moffat, would it be fair to say that Mr. Blackstock's interpretation of your remark would be the explanation of your comment that education should enjoy a somewhat slightly more favorable -- would that be covered by that --

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MR. ROBISON: Mr. ... we have all been reading

Q MR. ROBISON: (Cont.) that existed previously?

A Oh, yes, very much so. You can see it already in the reports.

Now, the thing that I know a little bit more about was the Winnipeg situation, in the Winnipeg flood. That was one of the things that broke down immediately. Suburbs would build a little dike from here to here and the city would build a dike from here to here, and they didn't meet. You had all kinds of things like that happening.

The province then moved in to try and do some coordinating, and by the time the province got really involved in the thing the thing was too big altogether and they brought the army in.

As soon as the army went in first thing they did was join up all these dikes. There was some strange shapes to get around the corners and connect them together.

The same thing happened not only in the layout of the dikes themselves but in the various rescue and assistance procedures. The Red Cross had to take over the basic responsibilities for that rather than the municipalities, and when they came to lining that thing up afterwards, the first step was to create an overall authority to supersede the municipalities on the question of dike location, and they laid out a plan of where the dikes would be for the future, and it's an overriding authority quite independent of the municipalities in that respect.

ROBINSON: (Cont.) that existed previously?

[illegible] very much so. You can see it already in the reports.

The thing that I know a little bit more about is the flooding situation, in the Winnipeg area. That was one of the things that broke down early. Suburbs would build a little dike from here and the city would build a dike [illegible] here, and they didn't meet. You had all things like that happening.

Finance then moved in to try and do a [illegible] job, and by the time the [illegible] got really [illegible] the thing the thing was too big altogether. [illegible] they brought the army in.

[illegible] as the army went in first thing they did [illegible] in these jobs. There was some squabbles [illegible] go around the corners and connect the [illegible]

[illegible] same thing happened not only in the various [illegible] themselves but in the various reports [illegible] finance procedures. The Red Cross had to [illegible] the basic responsibilities for what rather than the municipalities, and when they came to lifting that thing up afterwards, the first step was to [illegible]

MR. ROBISON: Maybe the Winnipeg dikes should be a parable for metropolitan development.

A Yes, could be.

MR. DAVIES: Mr. Moffat, I want to ask you a question again about some information you gave us at the start of this hearing this morning. Getting down to the per capita debt that still remains to be paid through general taxation -- that is the $225.00 figure.

A Yes.

MR. DAVIES: Could you translate that for the Commission into what it means in mills on the tax burden per year on the basis of the present assessment so we will see what it does to the mill rate, and what portion of the mill rate out of the total for the year is concerned.

A I could do it. I think it would be better if I left it until the afternoon, and worked over noon; because you are into the question of what period you are amortizing over and that then must be converted into a mill rate -- it takes a little bit of arithmetic.

MR. DAVIES: I understand that one mill in Edmonton represents about $200,000.00?

A Yes, roughly.

MR. DAVIES: Possibly if you could let us have that the Chairman would let you put that on the record before we go on with the school witnesses so we would have it altogether .

A Yes, I can give you the arithmetic on the thing.

MR. JONESCUS: Maybe the [illegible] Hines should be a possible for water pollution development.

A. Yes, can do.

MR. DAVIES: Mr. Morris, I want to ask you a question again about some information on page 4 at the start of this morning's meeting. Getting down to the per capita debt that still remains to be paid through general taxation -- that is the $2,000,000.

A. Yes.

MR. DAVIES: Could you elaborate that for the

we will see what it does to the mill rate, and what

year be no more.

A. I could do it. I think it would be better if I let it until the afternoon, and worked over noon because you are into the question of the [illegible] you are amortizing over and that then must be converted into a mill rate -- it takes a little [illegible] of arithmetic.

MR. DAVIES:

MR. GARSIDE: His Worship the Mayor tells me that figure that you had before is 10.53 mills.

MR. DAVIES: I am wondering, Mr. Mayor, if that wouldn't be the figure on the gross per capita debt rather than taking the utilities and the recoverable portion out -- that is, taking out the city utilities and the recoverable portion of the local improvements.

HIS WORSHIP MAYOR HAWRELAK: That is chargeable to taxes on this year's mill rate.

MR. DAVIES: 10 and a half.

HIS WORSHIP MAYOR HAWRELAK: Yes, that's debt service and debt reduction.

A You see, you can get it from last year, from page 28 of the financial statement. It's not in mill rate there, but it is in percentage of total expenditures, 16 percent of total expenditures.

THE CHAIRMAN: You have completed your statement?

A Yes.

THE CHAIRMAN: Then, Mr. Garside, I am assuming that this will be the last question to be asked the witness. You said you wanted, toward the close of the examination to ask another question?

MR. GARSIDE: Yes, I just meant to say before the hearing finally closes there might be some one question that might arise later.

THE CHAIRMAN: You didn't mean necessarily this morning?

MR. GARSIDE: No.

THE CHAIRMAN: All right, thank you, Mr. Moffat, I think you will now stand down and we expect to hear

THE CHAIRMAN: (Cont.) from you at a later sitting, but as Mr. Garside has said you will be in attendence and it is possible that you will have to be asked questions as the hearings proceed.

It is now nearly the time for adjournment and we expect to have West Jasper Place -- well, first of all Doctor Jonason had not finished -- or at least, the examination was not finished in the case of Doctor Jonason, and we will begin with that except for the information you asked about, or is it possible you won't need any statement from Mr. Moffat in view of the information given by His Worship the Mayor?

A Well, I think we might just look at that and there may be a little bit of explanation as to what the components are.

THE CHAIRMAN: Well, if there is anything further to be said we will give you the opportunity, Mr. Moffat, at the opening here this afternoon. Then, we have the two school boards and then, Mr. Hawkins, normally I would say to you to appear at ten tomorrow morning, but you are likely to be here this afternoon, and you will be able to see for yourself how the hearing is progressing.

We are adjourned until two o'clock.

(At 12 noon this date the hearing stood adjourned until two p.m. this same date and reconvened.)

THE CHAIRMAN: Gentlemen, we are prepared now to proceed with the cross-examination of Doctor Jonason.

THE CHAIRMAN: (Cont.) From you as a lawyer attorney, but as Mr. Geraldo has said you will be in attendance, and it is possible that you will have to be asked questions as the hearings proceed.

It is now nearly the [illegible] adjournment and we expect to have West Jasper Place [illegible] of all Doctor Jonason had not [illegible] least, the examination was not finished in the case of Doctor Jonason, and we will begin with that except for the information you [illegible] about, or is it possible you work [illegible] statements from Mr. Moffat in view of the information given [illegible]

Well, I think we might just look at that [illegible] there may be a little bit of explanation as to what the components are.

CHAIRMAN: Well, if there is anything further to be said we will give you the opportunity [illegible] at the opening here this afternoon. Then, we have the two school boards and then Mr. Hawkins, normally I would say to you to get ready at ten tomorrow [illegible] but you are likely to be here this afternoon, and you will be able to see for yourself how the hearing is progressing.

We are adjourned until two o'clock. [illegible]

DOCTOR J.C. JONASON returns to the stand and continues his testimony as follows:

A Mr. Chairman, may I submit some of the material that was requested from us yesterday?

THE CHAIRMAN: Surely.

A Mr. Bowker has compiled a summary of the mill rates levied by municipal districts; also rates requisitioned by the Clover Bar School Division No. 13 for the years 1947 to 1953 inclusive; and I wish to submit these in six copies.

THE CHAIRMAN: As an exhibit?

A Yes.

THE CHAIRMAN: This will be 54E. Is there a copy for Mr. McMann so it will be in the record?

A There is six copies -- do you wish to have more?

THE CHAIRMAN: Well, I would like to have the reporter to have one so he can put it in the record. Now, what is this? Statistics re mill rates --?

MR. McGRUTHER: Summary of Mill rates.

THE CHAIRMAN: Yes, thank you.

DOCUMENT ENTITLED "SUMMARY OF MILL RATES" AS PRODUCED, IS MARKED EXHIBIT 54E AND PUT IN.

SUMMARY OF MILL RATES

LEVIED BY MUNICIPAL DISTRICTS

ALSO

RATE REQUISITIONED BY

CLOVER BAR SCHOOL DIVISION No. 13

Name of Municipal Districts	Year						
	1947	1948	1949	1950	1951	1952	1953
M.D. of Beaver No.73	25.0	24.0	24.5	24.5	23.4	24.4	24.4

(Cont.)

Name of Municipal Districts	1947	1948	1949	1950	1951	1952	1953
M.D. of Lamont No. 82	18.0	24.0	24.0	23.0	23.0	25.0	25.0
M.D. of Leduc No.75	22.0	23.0	24.0	23.5	24.0	25.0	27.0
M.D. of Strathcona No. 83	20.0	23.0	19.0	22.0	21.0	21.0	22.0
Towns and Villages							
Town of Calmar	In M.D. of Leduc	23.5	18.0	14.0	15.0	15.0	22.0
Town of Fort Saskatchewan	34.0	31.0	24.5	27.0	22.0	19.0	19.0
Town of Leduc	28.0	30.0	30.0	15.0	20.0	22.0	26.0
Requisitioned by Clover Bar School Division No.13 reduced to mills	22.9	22.1	22.4	21.7	22.6	23.5	23.6

THE CHAIRMAN: All right, Doctor Jonason.

A May I comment on that summary to this extent: that when the Board -- well, for the past years when I have been associated with the Board, when they are setting their budget they have always called in representatives from the municipalities concerned, and in setting the requisition they have thought in terms of mill rates as applied to the various municipalities that are concerned.

(Cont.) [illegible]

Name of Municipal District	[illegible]	[illegible]	[illegible]	1929	1928	1927	1926
M.D. of Lennox No. 32	18.0	24.0	34.0	27.0	27.0	23.0	23.0
M.D. of Lodge No. [illegible]	22.4	22.0	24.0	23.[illegible]	24.0	25.[illegible]	[illegible]
M.D. of Starbuck No. 83	20.0	23.[illegible]	[illegible]	[illegible]	22.[illegible]	[illegible]	[illegible]
Towns and Villages							
Town of Oakmere	[illegible]	[illegible]	[illegible]	[illegible]	14.0	12.0	[illegible]
Town of Fort Saskatchewan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Town of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Requisitioned by [illegible]

May I comment on what appears to this writer, that been the Board -- well, for the past months when I have been associated with the [illegible] when they

A (Cont.)

You will see that it runs in the neighborhood of 22 mills or there abouts. We have listed below the basis upon which we requisitioned, and above that is the actual rate that was imposed by the municipality.

May I also comment on the financial statement that was submitted yesterday? I do not think that the members of the Commission really need to have their attention drawn to this, but I wish to go on record to the effect that the surplus of $222,962.52 as shown on the fourth page of this statement, is not actually a surplus in as much as it is really the amount of money which was reserved for meeting the contractual obligations in connection with the building program. Had the buildings that we expected to have built during that year been completed I think there was a grave possibility that we may have been in the red as a consequence.

One other thing, if I may submit, the two annual reports made by myself for the years 1952 and '53 to supplement that financial report that was given yesterday -- I would like to submit those as exhibits.

THE CHAIRMAN: 55E.

A This is the annual report of the superintendent to electors and divisional board.

THE CHAIRMAN: The annual reports, then, for the years 1952 and 1953.

ANNUAL REPORTS OF THE INSPECTOR TO ELECTORS AND DIVISIONAL BOARD, AS PRODUCED, ARE MARKED EXHIBIT 55E AND PUT IN.

(Cont.)

You will see that it was in the vicinity of 22 mills or there about. We have listed below

that is the actual rate that was issued by the municipality.

May I also comment on the financial statement that was submitted yesterday. I do not think that the members of the Commission really need to have their attention drawn to this, but I wish to -- record to the effect that the amount of $2[illegible] as shown on the fourth page of this statement is not actually expended as much as it is really the amount of money which we reserved for meeting the contractual obligations in connection with the building program. In the building that we expect to have built into that was been completed I think there was a very possibility that we have been in the red as a consequence.

Now, if I may submit, the two annual [illegible] made by myself for the years 1952 and '53 to supplement that financial report that was given yesterday -- I would like to submit those as exhibits.

THE CHAIRMAN: Yes.

MR. DAVIES: Doctor Jonason, do you think that you could get that 1953 grant figure per pupil of $59.25 broken down so we could take the building out of that and see what is left in terms of what you have towards your operating costs?

A I think we could do that.

MR. DAVIES: Just while we have this thing before us? I think if I may say so that it gives a distorted picture that may be unfavorable to the division in some of its ultimate implications.

A Yes, I realize that and I am just wondering -- we would be prepared to submit that possibly by tomorrow, if that is good enough.

MR. DAVIES: Yes, that would be very good, and we could get it into the record somewhere near where this exhibit has gone in. I presume there are building grants in that, and equipment grants.

A Yes, I assume there are --.

MR. DAVIES: The whole list across the board.

A Yes, I agree with you there.

THE CHAIRMAN: Doctor Jonason, I think I got ahead of myself a little bit here: I promised Mr. Garside that if there were any matters which he wished to submit in the way of exhibits, that they might come in before the beginning of the session this afternoon. Is there anything that you would like to submit now?

MR. GARSIDE: No, not now, sir.

THE CHAIRMAN: Nothing; all right, thank you very much. We will then proceed with the cross-examination.

MR. DAVIES: [illegible] Mr. Chairman, do you think that you could do that that 1973 expenditure was paid of $59.25 broken down so we could take the building out of that and see what is left in terms of what you have towards your operating costs?

A. I think we could do that.

MR. DAVIES: Just while we have this [illegible] I think it may say so that it gives a description that may [illegible] some of its distinctive features.

Yes, I realize that and I'm just wondering [illegible] working [illegible] consider a subject [illegible] possibility [illegible] motorcycle-if that [illegible] and enough.

MR. GAUDET: Yes, I'd rather [illegible] to do [illegible] to the [illegible] and [illegible] this [illegible] I'm assuming there are [illegible] events in that, and [illegible] events.

[illegible]

MR. DAVIES: [illegible] the [illegible] across the [illegible].

A. Yes, [illegible] and [illegible].

THE CHAIRMAN: Mr. [illegible] Chairman, I think I [illegible] of [illegible] a little bit here: [illegible] that if there were any [illegible] [illegible] in the way of exhibits, that they might [illegible] in before the beginning of the [illegible]

MR. GARSIDE CROSS-EXAMINES THE WITNESS:

Q Doctor Jonason, from the evidence you gave yesterday I got the impression that you are quite in favor of the establishment of a metropolitan area, and also that if such an area were established that there should be one school district co-terminus therewith. Was that impression correct?

A I do not think that I intended to convey that impression. I wish to convey the impression that the metropolitan area should be much larger in extent than that which was contemplated by the City of Edmonton, but I see no reason why the municipalities involved in that might not ret n their identity and that the same might not apply to the schools.

Q In other words, subject to those conditions, you are in favor of a metropolitan area being established?

A I am definitely in favor of action being taken to insure careful planning and the orderly execution of those plans within the metropolitan area that I outlined yesterday.

Q Is the Clover Bar School Division a much largerarea than Strathcona Municipal District No. 83?

A It is approximately double the size inasmuch as it includes both the Leduc Municipality, the major portion of the Leduc Municipality, and then a small portion of Beaver Municipality, and the Lamont Municipality. That is shown, I think, on the map which is attached to the brief which we submitted.

Q I also notice in your brief that you say that the problems you are facing have been created by the development of oil wells in the Leduc, Calmar and

Q (Cont.) New Serepta area. Is that correct?

A That is right.

Q Mainly due to the development of those wells?

A I would say, as I say in the brief, it is not only the development in connection with the oil wells, but the industrial development east of the city and also in the area of Fort Saskatchewan.

Q And that new development you speak of is --.

A Sherritt Gordon.

Q -- is due to the discovery of oil? It is a satellite industry?

A Well, no, I wouldn't say that it is a satellite industry of the oil wells; I suppose that the presence of gas in sufficient quantity to meet their needs can be considered a factor inattracting industry to that point.

Q Now, on page 5 -- 6 of your brief you refer to certain enrollments, and then you have a figure or a heading "adjustment enrollments" and the next one is "increase", and then you say: "the adjusted enrollment takes into account the pupils resident in the town school district and the pupils from other districts whose parents are engaged in industrial work."

Do I understand you to mean that the figure Leduc 203, Calmar 218, and Fort Saskatchewan 173, that all those are children of industrial workers?

A No, that is not what it states there. It states specifically that that is the increase at thost points, but it doesn't state that those are all children of industrial workers associated with the oil industry or with other industries.

Q Have you other figures to show that?

A I haven't at the present time, no.

Q Can you give us any general idea of how many children are children of the people working on the oil wells?

A I could obtain that for you quite easily if it is considered necessary.

Q Could you approximate it now, for instance?

A I wouldn't venture to do so.

Q Now I refer to an exhibit -- I don't know what its number is -- it's 37E, apparently -- filed by the Municipal District of Strathcona, and it shows tabulated results of replies to letters written to industries in the Municipal District requesting information as to living places of employees; and the totals in that show the number of employees as 1717; resident in Edmonton, 1632, number residing in Municipal District 83, 42, numbers residing elsewhere, 43. Now, you can see from those figures that apparently the question of school population is a very serious one, the increasing school population is a very serious one in the city of Edmonton too, if it is also a serious problem in your district. Would there be anything like 1632 residents residing in your district who can be called oil workers or gas workers?

A I am in no position to answer that question; this is the first opportunity I have had of seeing this report and I wouldn't care to make any commitment without further study.

Q Could you explain to me, Doctor Jonason, on what principle the school grants are given to your school district?

A Well, it's a rather complicated formula that is used, but there is a grant made for the operation of rooms, there is a grant made for the capital expenditures, and we receive grants for the operation of vans and things of that kind, you see.

Q Well, could you tell me this: do you get any greater grant or lesser grant than, say, a school district of the same size that is not faced with the same problem of the increased population caused by the oil and gas industry?

A I do not think that the formula, if it is applied properly, that we would necessarily do so.

Q Do I understand your answer was that you get the same rate?

A I'm not prepared to answer that question inasmuch as I haven't made a study of that, but I would undertake to make a study of that and give an answer to it if that were desirable.

Q Now, assuming, Doctor Jonason, that this Board were to decide that the metropolitan area would be that shown by the Edmonton District Planning Commission, that would be taking away from your district certain parts of it, would it not?

A It would.

Q And it would also affect your district in the income it would get from the manufacturing sites and refineries?

A It would do that.

Could you explain to me, Doctor Jonsson, on what principle the school grants are given to your school district?

A Well, there's a rather complicated formula that is put there is a grant made for the operation of rooms there is a grant made for the capital expenditures, and we receive grants for the operation [illegible] and things on that kind of [illegible].

Q Well, could you tell me what do you [illegible] grants or [illegible] [illegible] of the same size [illegible] [illegible] of the [illegible] a principal [illegible] and industry?

A I do not think that the formula, it is [illegible] proper. That is would recognize it [illegible].

Q Do I understand your answer [illegible] [illegible] same rate?

A I not prepared to answer that question [illegible] and I'm [illegible] study of that, but I would undertake to make a study of that and give an answer to it if that were desirable.

Q Now, assuming, Doctor Jonsson, that this Board were to decide that the metropolitan area would, as that shown by the Edmonton District Planning Commission, that would be taking away from your district certain parts of it, [illegible]

Q And to that extent would injure and adversely affect your schools, is that right?

A Undoubtedly it would.

Q Now, what I want to try and get from you is this: the revenues from the Provincial government due to the oil and gas discoveries in places like New Serepta, Calmar, Leduc, -- both in capital and by way of royalties -- have been very great, have they not?

A Yes.

Q And you say that the impact of the oil and gas industry in your school district has also been very great?

A Yes -- that is, relatively.

Q And has caused you to have to expend money in the building of schools, money in the engagement of teachers, and also the money which you have to pay for interest on borrowed money?

A That's right.

Q All those have been burdens on you which I assume would not be present under the ordinary normal growth of population.

A That's right.

Q In view of those circumstances do you not think that the provincial government should make some special grant in areas where those conditions obtain, or do you know whether they do so on the basis of those conditions?

A That's a rather a difficult question to answer, inasmuch as I am an employee of the provincial government --

Q Oh, I'm sorry, I didn't realize that.

A -- and I think that as a matter of privilege I would wish to decline to answer that question.

Q I'm sorry, I didn't realize that. Now, I have a note here, and I would like to know if you can answer this question: if your increase in enrollment is greater than the provincial average percentage, then do you get an extra grant of $100.00 per pupil for the number in excess?

A I'm not just sure I grasp the question.

Q Well, as I understand this note it is this: if your increase in your enrollment of school pupils is greater than the provincial average percentage then there is a grant given by the government of $100.00 per pupil in excess of that provincial average. Do you know whether that is true?

A I would like to refer to the secretary before I answer that; I think he would be more familiar with that than I am.

MR. BOWKER: As I understand the question, if the attendence is greater than the provincial average then there is a special grant for that purpose; is that the question?

MR. GARSIDE: Yes.

MR. BOWKER: I am not prepared to answer that right off, as we haven't got into that category yet, but I can give you the information tomorrow whether we have any of that or not.

MR. MOFFAT QUESTIONS THE WITNESS:

Q I have several questions going into the detail of some of the financial end of the thing, Doctor Jonason.

Q Oh, I'm sorry, I didn't realize this.

-- and I think that as a matter of privilege I would wish to decline to answer that question.

Q I'm sorry, I didn't realize that. Now, I have a note here, and I would like to know if you can answer this question: If your increase in enrollment is greater than the provincial average percentage, then do you get an extra grant of $100.00 per pupil for the number in excess?

A I'm not just sure I grasp the question.

Q Well, as I understand this note it is this: If your increase in your enrollment of school pupils is greater than the provincial average percentage then there is a grant given by the government of $100.00 per pupil in excess of that provincial [illegible] Do you know whether that is true?

A I would like to refer to the secretary before I answer that; I think he would be much more familiar with that than I am.

MR. BOWKER: As I understand the question, if the attendance is greater than the provincial average then there is a special grant for that purpose; is that the question?

MR. GARSIDE: Yes.

MR. BOWKER:

Q (Cont.) It may be some of these you won't be able to answer, but I would like to get a reaction towards some of them anyway.

First of all, I wonder if you would confirm the figures which Doctor Sheppard gave us with respect to the number of students. I believe you were here when he mentioned four hundred elementary, 70 junior high, and 30 senior high as his estimate of approximately the number of students involved in this area of your school district that we have been talking about, roughly the greenbelt of the outline general plan, and what is in the industrial area itself.

A As a matter of fact I am the source of that information. That was in the way of a rough estimate; Mr. Wagner contacted me by telephone and we discussed this, I think, rather informally. Since that time I have had Mr. Elliott who is assisting me at the present time make a more detailed survey and I think, although we have added another district to the one I think we had under consideration, I think the figures would go as this. I have listed here the Clover Bar Village, the Clover Bar 212, the Salisbury rural school and the Salisbury high school.

Q Does that mean that you are counting all the students in Salisbury high school?

A No, we are thinking of the ones in this area. The Braemar, the area which is part of the East Edmonton School District which we refer to as the Braemar area, as you know, is presently being operated jointly by the city and the Clover Bar School

A (Cont.) division, so that is included . The East Edmonton, King George Park area, the East Edmonton South area, Mill Creek, Oliver, South Edmonton -- and then we have added to that Rabbit Hill which in itself has a total of 29, so that would be a little bit in excess of what we had in mind then. The elementary school pupils, according to this survey, total 405, and the junior high school pupils --.

THE CHAIRMAN: Excuse me, Doctor Jonason: I missed that figure.

A 405.

THE CHAIRMAN: Only five more than in the other list?

A In the elementary. Now, what was it that we estimated there?

MR. MOFFAT: For junior high?

A No, for the elementary -- 400.

Q Well, you got 405, so that's good.

A Of course, I can't lay claim to being psychic or anything. I think I had before me the tabulation when I was making that estimate, but I think this is more up to date.

For the junior high school it was 158, and for the senior high school 57.

Q I think both of those estimates, both of those figures are considerably higher than the estimates you gave.

A Yes, and the total then came to six twenty.

Q Against a total of 500?

A Yes.

THE CHAIRMAN: I think Doctor Jonason this revised

THE CHAIRMAN: (Cont.) figure should be filed as an exhibit.

A Yes.

THE CHAIRMAN: This is a more careful tabulation than the one that had been furnished through Mr. Sheppard.

A Yes; well, now, if I were to do that there is just one column here that I would wish to delete, and that is the number of children whose parents work in Edmonton -- I have that listed there, and there is one correction, one sub-note that I wanted to make before I filed it.

THE CHAIRMAN: Then we will consider that you will file it tomorrow morning.

A Now, if it is the desire to have it in this present form with this column: the number of children whose parents work in Edmonton -- I would be pleased to submit it in its present form with a little note as to that.

THE CHAIRMAN: I think we would prefer to have it in its complete form; and therefore I would suggest that at the opening of the sitting tomorrow, if possible, you file the revised statement; is that possible?

A I think it is quite possible.

MR. McKENZIE: Including the information about the number of children whose parents are working in Edmonton?

A Yes.

MR. CHAIRMAN: Oh, yes, indeed; I would like to have that very much.

Q MR. MOFFAT: Now, Doctor Jonason, your brief makes

Q (Cont.) considerable of the increase in total operating costs. I believe you filed the exhibit showing those operating costs in terms of mill rate just a few minutes ago.

A That's right.

Q Unfortunately the 1954 mill rates aren't on there. I wonder if we could have some information about them; even if all it is is that -- a statement as to whether they are as high as they were last year.

A I think before I did that I would have to have time in which to assemble that; but I don't think we have any disposition to hide anything, and I think we would be glad to secure that information for you.

Q Would you agree that they are considerably lower than last year?

A As a matter of fact I have been so busy with my numerous other duties I haven't had time to make detailed enquiries with respect to that. So long as we receive our requisitions we are relatively happy, and I think we can secure from the municipalities that information.

Q Would it surprise you if I suggested that in the case of Strathcona the mill rate is down from 22 mills to twelve and a half mills?

A That would not be startling.

Q Do you suppose that would be reasonably typical of the whole area?

A It wouldn't be typical of the whole area -- you are suggesting Leduc?

Q Yes.

A And Beaver?

Q Yes.

A And so on?

Q Yes.

A I would be very surprised if Leduc could lower its mill rate in as much as the arrears of taxes are mounting steadily there. I happen to have figures here -- if you wish that information -- with regard to that.

In September 1951 the arrears of taxes amounted to $221,125.19, of which $41,577.53 were arrears on personal property taxes, and that was in the main, I think, for oil well equipment and things of that kind. So it left, roughly -- when I say "roughly" -- the remainder would be approximately the arrears on land, and that came to $179, 547.66.

Now, in September of 1952 it had mounted from $221,000.00 up to $266,000.00.

In September of 1953, the arrears had mounted to $318,000.00 which was another $50,000.00.

Now, as I say, I would be very surprised if Leduc found itself in a position where it could start reducing the mill rate in the face of this steadily mounting arrears of taxes.

Q Do you know how your requisitions are allocated as between Leduc and Strathcona? In other words, if you ask for, say, $900,000.00, which is approximately your figure, -- how much of that is chargeable against Strathcona, and how much against Leduc? What is the formula for dividing it?

A Well, I think that --

Q What I am trying to establish is: if the assessment goes up in Strathcona do they pay a bigger proportion of that total? That's the real question.

A With this information here I think perhaps I can answer your question: our requisitions are allotted in percentages relative to the total assessment of each one of these areas.

Q Yes; then, if the assessment of Strathcona goes up, they will take a bigger percentage, and consequently there will be a smaller amount left against Leduc, which would allow Leduc to reduce its mill rate.

A Providing the total assessment of Leduc remained constant.

Q Yes, but it's increasing.

A Then it would be more favorable. If, on the other hand, it is decreasing -- and I have good reason to believe it has been decreasing -- it may not offset the advantage of being associated with Strathcona

Q And if next year the assessment of Strathcona should be up by, say, another 15 million dollars, that would be reflected in a reduction of the mill rates on the whole part of Strathcona and Leduc?

A I assume that that would be the case, yes.

Q Now, to change this slightly, the emphasis of this, do you have any information which would compare these mill rates with mill rates in the other rural school districts adjacent to the city?

A I don't at the present time; I haven't made a study of that.

Q And do you suppose your mill rates would be lower than most of the other rural school divisions?

A I think that would be the case.

Q Yours would be below?

A I think it would.

Q Your brief makes considerable of the point of the standard of education in the rural area, that the standard of education in the rural area should be at least comparable with that in the city.
Do you suppose that the present standard in the Clover Bar school is about -- would be reasonably close to that of the city?

A We are coming fairly close to it, but from my knowledge of the city schools and those in the Clover Bar school division I think that we have a considerable way to go yet in Clover Bar, before we can say that we have approximately approached or equalled the standard set by the city.

Now, in that regard I might cite , for example, in the matter of teachers' salaries, we are under constant pressure to have our salaries approximate that of the city's; and taking the actual payroll from September the 1st of 1952 to August 30th,1953, our total payroll was $406,760.00.

At that time we had a hundred and thirty-nine teachers and the average salary came to $2926.33.

The following year, for the comparable period, the average salary in the Clover Bar School Division rose to $3289.65.

Now, I am comparing these with the averages given

A (Cont.) by the department of education in the annual report for 1952-53. In the cities and towns the average was $3462.01.

So, you will see we are getting fairly close to what is being paid in the cities and towns; but I'm not in a position to state what the average salary was for the City of Edmonton. That figure may be available to you and you could compare it with ours. I would assume that the City of Edmonton is paying more, perhaps considerably more in the way of teachers' salaries than we are.

Q I wasn't thinking so much of salaries in that question, but as to the type of education. Do you suppose that the children coming out of school in your area are any less entitled to call themselves well educated then those coming out in the city?

A I'm just wondering whether that's not an intangible which is very hard to assess. The only means that we have of determining the educational opportunities would be in the facilities, more or less, that we have to offer them; and if the ability to secure well trained experienced teachers and provide school accommodation in the way of buildings, teaching equipment and so on, are criteria that we could use in judging that, I would say that the City of Edmonton can offer advantages that are superior to that which is presently being offered by the Clover Bar School Division.

Q Do you think that the extra advantages that might be offered would be made up if Clover Bar had additional revenue available to it? In other words,

Q (Cont.) do you think it is that type of thing that can be made up by extra revenue, extra assessments, or do you think they fall into other categories?

A Well, I feel if we are given time to use such revenue as we have at our disposal right now we might be able to achieve that; but I think the Board has been wise in being conservative in improving conditions progressively, and they have in mind, as the brief intimates, that ultimately it may be possible for our division to offer additional educational opportunities which are comparable to those in the larger urban areas.

When we say "larger urban areas" we have not in mind the city of Edmonton, we are having in mind such places as the Town of Camrose or the larger urban centers exclusive of the cities; and I would even go so far as to say that in my estimation, being familiar with conditions in Camrose, and having lived there for a number of years, that as yet in our division we have not achieved the standard that they have there.

Q Would it be fair to summarize it this way: that your board and the taxpayers of your area through the board, have decided now that it would be preferable to take a reduction in the mill rate, that the educational standard is up to where they consider that to be preferable to an increase in the standard of education?

A From my association with the men in the Clover Bar School Division Board, I think they are idealistic in their outlook, and I do not think that they are governed by any material considerations such as the saving of a few mills.

Q But they have in fact adopted a policy which has materially reduced the mill rate?

A In what respect, may I ask?

Q The fact that the 1954 mill rate is twelve and a half as against twenty-two this last year.

A May I point out, sir, in reply to that that it is not the responsibility of the Clover Bar School Division to set the mill rate; it is just their responsibility to requisition for the amount they require.

Q You see, the thing that I am reading from here is a quotation from your brief at the bottom of page 2, where you say:

> "In a study of the Edmonton Metropolitan area problems made two years ago it was stated that the revenues which will soon become available to the Clover Bar School Division will be greatly out of proportion to its needs."

Now, the fact that it now comes to the point where you think that the expenditures are reasonably up to a full standard, and at the same time you have been able to get a great reduction in mill rate -- do you suppose that confirms the prediction that was made in that brief?

A In regard to that, in the case of the division as a whole we must have in mind what is a mill rate that can be borne by the majority of land owners, and in setting our mill rates we were using, I think, a figure of approximately 23 mills -- is that not the case -- on the assessment as it was submitted to us;

A (Cont.) and there was no disposition on the part of the board to try to lower that mill rate; they were submitted certain requisitions, and on the basis of that they made their assessment -- their requisition.

Q Then, I take it from that that what you are saying is that you are aiming at approximately the same amount of expenditure as last year, and if other factors have increased the assessment and brought down the mill rate, then that has not unfavorably influenced the school program?

A I think I might answer that question in this way: if the Clover Bar School Division had been made aware of the fact that there was increased revenue available, that they would have taken advantage of that to still further improve the services. As I mentioned before, we sat in consultation with representatives from the various municipalities, and I think that as a result of the deliberations at that meeting, it was agreed that 23 mills was the average rate to be struck throughout the area. In connection with that we had to consider the Leduc Municipality where the assessment was going down, and it would have necessitated raising the mill rate very considerably.

Q But not because of schools; I think you said that the school requisitions would be allocated on an assessment basis, and therefore would go to a large extent against Strathcona, because their assessment was going up and Leduc was going down; is that correct?

A No, they would --.

MR. HAYES: Doctor Jonason, isn't your requisition

MR. HAYES: (Cont.) on the basis of 1953 assessment?

A Yes.

MR. HAYES: Certainly; it makes no difference about 1954.

A The basis upon which we made our requisitions was on the figures that were submitted to us, and I think the over all --

Q MR. MOFFAT: Oh, I see; the allocation is on '53 but the tax is imposed against 1954 assessment.

A That's right.

Q But the fact remains that the working out of this thing has produced a real reduction in the mill rate for school purposes.

MR. HAYES: No; it might next year, but it wouldn't apply this year because it's on last year's assessment.

MR. DAVIES: The previous year's assessment was on the basis of '52, so on that basis there is a large change come into effect somewhere along the line.

MR. MOFFAT: Possibly the Strathcona people will be able to give us the information as to what has actually happened to the mill rate in a little more detail as to the arithmetic of it.

MR. McKENZIE: Isn't the answer, sir, that the requisition will be levied on Strathcona on the basis of the '53 assessment, and Strathcona will have the '54 assessment out of which to pay it?

MR. HAYES: No --

MR. McKENZIE: They will have the property on the roll right now, all assessable, to pay that particular requisition which may result in a reduction in Strathcona's mill rate.

MR. HAYES: It could be, but he deals with dollars and cents whereas the municipality deals will mills.

MR. DAVIES: Doctor Jonason, isn't the answer that in the course of the year the total assessment of the Municipal District of Strathcona increased by a very, very substantial amount over the total area, as a result of which it had the effect of reducing the mill rate throughout all the area in which Strathcona was concerned; because, unless you ask for an awful lot more money, and in the year under review put more property on your assessment roll compared with the previous year, it would reduce your mill rate.

A Yes, I think that's right.

MR. DAVIES: With the assessment going up and the requisition remaining about the same.

Q MR. MOFFAT: I believe you told us that you did not have any information about the mill rate for school purposes in the surrounding areas.

A No, but that could be easily obtained.

Q Now, if I could refer again to another point in your brief at page 4 where you are dealing with approximately the same question, toward the bottom of the page:

> "In this connection it should be pointed out that tax returns from farm lands indicate that the point of diminishing returns from that source has been reached."

Are you speaking there of the farm lands within your school district, or were you talking there in terms of farm lands generally?

A The area that we have particularly in mind was that of Leduc, the farm lands in the Leduc area-- as I pointed out just a few minutes ago, the arrears have been constantly mounting, and that would be indicative of the fact that the taxation burden is in excess of ability to pay.

Q And again this comes back to the same point: if in fact an additional part of this is falling against the industrial assessment, then the fact may be that the tax rate on the agricultural lands even in Leduc will be substantially lower than in the surrounding municipal districts?

A That wouldn't be at the present time -- when you say "surrounding" districts, the districts you are having reference to are places such as Wetaskiwin, and places like that?

Q Yes.

A No doubt that would have an effect all right.

Q But again, you don't have comparable figures?

A No.

Q Would you agree that that would be a type of figure that would be useful for us to have; I wonder if you would have the facilities to make it available for us?

A I think we could get that available, but I think one just has to refer to the annual reports of the Department of Education to get that.

Q Is the mill rate information there? I'm not sure.

A I think there are portions of it that deal with that type of information.

Q Well, now, if we could just look for a moment at some comparisons between what has happened in your area and the Edmonton Public School Board: I believe you quote an increase in operating costs which works out at roughly 160 percent from 1947 to '53 -- I'm using '53 because it's only the '53 figures that I have for the Edmonton Board. Page 3 -- if my arithmetic is right that's roughly 160 percent increase.

A Yes.

Q Would it surprise you if I suggested that the increase in the city is about 120 percent -- amost as great?

A It wouldn't surprise me.

Q Have you made the same kind of comparison with respect to the mill rates as far as the city is concerned?

A I have not.

Q Would it surprise you if I said that the 1947 mill rate was 29 mills, and the 1953 mill rate is up to 32 mills for school purposes in Edmonton?

A Would you repeat that?

Q From 29 mills in 1947 up to almost 32 in 1953.

A 27 to 32 --

Q 29.

A 29 to 32 -- is that an excessive rise?

Q I am just putting it in for the sake of comparison with the mill rate, with your mill rate where we had this evidence of reduction in the case of the Strathcona portion of it.

A But on the other hand in the material that we submitted today on the base of our requisitions it has remained fairly constant throughout that year.

Q Relating to this, you refer to the debenture borrowings on page 9 where you say:

"The Divisional Board, although it is loathe to do so, recognized that so long as present conditions exist it will have to supplement taxation revenue by debenture borrowing if it is to achieve its aim to give to its children educational opportunities approximating those presently enjoyed by children in the larger urban areas."

I wonder if we could have a little detail about those debenture borrowings. The total debenture debt now outstanding -- could you give us the figure?

A It's on page 3.

Q Yes; $575,000.00. Now, would you indicate there what areas are covered there primarily? Would you indicate what schools those represent? In other words, what number of those schools are in this industrial area.

A The debenture indebtedness is assumed by the Division as a whole, and we are not allocating that to any particular school.

Q But I mean as to the schools which were constructed out of that money. Were the schools that were constructed out of that money located in this industrial area?

A The Board was very fair in the distribution of --.

MR. BLACKSTOCK: Doctor Jonason, answer the question; it's a simple question and can be answered simply.

A I would like --

MR. BLACKSTOCK: Where were the schools built with the money that came out of these debentures; that is the question.

A They were built throughout the whole area; they were evenly distributed throughout the whole area.

MR. BLACKSTOCK: Another question he asked you that you have evaded: were any of those schools built in this industrial area?

A If you consider the Salisbury School --.

MR. BLACKSTOCK: Well, I don't know; you tell us; you know.

A Well, the Salisbury School is on the edge of the industrial area.

MR. BLACKSTOCK: Well, now, look: if it's on the edge, it's not in the industrial area, is it?

A Well, it's difficult to determine just --

MR. BLACKSTOCK: Well, I think you are hedging, and I am very disappointed, too. It's a simple question and it admits of a simple answer.

A I would say in reply to that, then, in the case of Fort Saskatchewan undoubtedly the school that has been built there, the new school, has been built in an industrial area -- if you consider the whole locality there. To a certain extent the high school that has been situated at Salisbury was built in an attempt to meet the needs of the industrial area and also to meet the needs of the rural areas, twenty three school districts that are being served by that.

MR. ROBISON: Lets put it another way: would that Salisbury School have been built if this industrial development had not taken place?

A It would have been built, yes.

MR. DAVIES: Would you mind giving us the approximate cost of the Fort Saskatchewan school and the extension or whatever it was, on the Salisbury school?

A I gave those figures yesterday, but --

MR. DAVIES: The only thing is I asked, Doctor Jonason, to get it in context in terms of this debenture debt, and it puts it all in the same pot.

A The Fort Saskatchewan Elementary school, as I stated yesterday -- we have already paid for it $156,528.00, plus an estimated $16,000.00 for the furnishings, and another $10,000.00 for the site. I think the figure we gave yesterday was $180,000.00 roughly.

In the case of the Salisbury school, the total cost to date has been $222,405.00.

MR. ROBISON: Have any schools or additional rooms been provided as a result of the development in the industrial area? I am talking about Strathcona.

A In the East Edmonton School District, which is the district in which the Industrial area is located, it was necessary for the school board to build six new rooms there, that is, the Braemar school -- a three room school -- and the King George Park school, a three room school.

Q MR. MOFFAT: Your financial statement for 1953 shows a total of payments and expenditures of $978,000.00. Could you give us an idea of approximately how much of that is spent to service the industrial area?

A I'm not in a position to give that; as a superintendent of schools I am not burdened with the financial administration.

Q When I began my cross-examination I indicated that some of these questions you might not be able to answer. I wonder if the secretary-treasurer could give it for you, or if you could have it filed -- it doesn't need

Q (Cont.) to be precise, but an estimate. Would it be 20 percent of that went into that industrial area, or would it be 25 percent of it, or ten percent -- something approximate to give us some indication.

A The difficulty that I see, sir, is this: when I think of industrialization I'm not thinking of industrial plants that exist out here; I am thinking of the burden that was imposed by the oil drillers coming into the Calmar area and into the New Sarepta area; and it's much more complicated than what it would appear; it's something I think you would find it very difficult to segregate, but we will certainly endeavor to do that, but I think it will require time.

Q Well, even if it was only a percentage basis, say percentage of your teaching staff, the salaries, that would give us a guide and we could apply that across the board as some indication of roughly what proportion is involved. Now, would that be a reasonable basis? You have quoted a figure of approximately 500 out of a total of 4,000 -- that is one-eighth of your pupils are out of that area; would one-eighth of this figure represent a fair guess?

A That would be an approximation, anyway, but I wouldn't venture to say how close it is.

MR. MOFFAT: Thanks very much.

MR. McKENZIE CROSS-EXAMINES THE WITNESS:

Q On Page 2 of your brief, Doctor Jonason, you indicate that problems are created for you in three main areas: No. 1 is the development of the oil wells, particularly in the Leduc, Calmar and New Sarepta areas; two is the

Q (Cont.) industrialization in East Edmonton; and three is the industrial development in the Fort Saskatchewan School District.

Then on page 6 you make a similar comment dealing with enrollment. You point out there that the heaviest percentage increase in enrollment by far took place in Calmar, and that they were also quite heavy both in Leduc and Fort Saskatchewan.

Now, what I would like to find out is whether your main problems in growth from the point of view of school population and school education did not take place in areas 1 and 3 rather than in area 2, namely, in Leduc, Calmar, New Sarepta on the one hand, and Fort Saskatchewan, as compared with this little industrial area right in East Edmonton where the heavy industries are located.

A I think that is an assumption that would be right to make; however, in the case of East Edmonton School District, as I mentioned, we had a three roomed -- we had two rooms at the northern end of the area which is near the refinery, the Imperial Oil Refinery; now that had to be -- we had to vacate that, and so we had five rooms in the east Edmonton area where the industrial plants are located, and it was necessary for us to build four additional rooms to take care of the increased population in that area. Would that indicate it to you?

Q Well, now, these two you vacated -- that's that little school just across from the Imperial Oil Refinery that is a testing lab, that the testing lab went into?

A Yes.

Q I don't know your reason for vacation of those two rooms and building two other rooms somewhere else -- perhaps you might indicate whether that was simply a reallocation of the source of school population, or was it just the need for office space?

A No, it was a need -- we felt it would be better to have our school located nearer to the city boundary where the bulk of the population was at that time; therefore we built Braemar which took care of the north school in East Edmonton; we built King George Park which took care of the central section, and the south school was still taken care of in the southern portion of the district.

Q Just trying to get it in relative terms again: what percentage of your increase in school population would have taken place in Leduc, Calmar, New Sarepta and Fort Saskatchewan as compared with the East Edmonton School District?

A I would say that it would be much greater, proportionately.

Q Would it be 90 percent?

A It might be that.

Q This would tend to be borne out by this exhibit 37E which I think somebody gave to you just a few minutes ago, Doctor Jonason, which indicates that the employees of the big heavy industries along Highway 16 largely live in the city; of a total of 1700 employees, roughly 1600 reside in Edmonton.

A I think that's safe to assume.

Q So that the heavy industries really haven't created a very great school problem for you?

A With the one exception of the heavy industry at Fort Saskatchewan.

Q Fort Saskatchewan.

A Yes.

Q Now, turning for a moment to your auditor's financial statement for 1953 which was marked as Exhibit 49E, the assessed valuations are tabulated in columns there, and for the moment turning only to the first column dealing with land, the total assessed valuation of land in the Municipal District of Beaver and in the Municipal District of Lamont, and Leduc and Strathcona. and the Towns of Calmar, Fort Saskatchewan and Leduc, amounts to roughly thirteen and a half million dollars.

THE CHAIRMAN: Mr. McKenzie, I think we will adjourn for ten minutes now.

(At 3 p.m. this date the hearing stood adjourned until 3:10 p.m. and reconvened.)

THE CHAIRMAN: Now then, Mr. McKenzie, if you will carry on, please.

Q MR. McKENZIE: Doctor Jonason, I think we had just gotten to the point where I had indicated that the total land assessment within your school division is roughly thirteen and a half million dollars. Now, according to the city's plan as more particularly brought out this morning, one of the pieces of territory that they would like added to the city is a small piece probably a mile and a half north and south of Highway 16 from the city limits to where highway 16

So this the [illegible] Brunswick coal?

A very great school problem is your

With the one exception of the [illegible] Canal, we

Fort Washington.

Fort Washington.

Yes.

Mr. [illegible] for a moment to [illegible] and some financial

statement for 1923 [illegible] and [illegible]

The assessed valuations are [illegible] on in a [illegible] here,

and for the [illegible] taxing only in the first column

the [illegible] total, the [illegible] assessed [illegible] [illegible]

land in the [illegible] District [illegible] and [illegible]

[illegible] District [illegible] and [illegible]

are [illegible] Canal. [illegible] one [illegible] [illegible]

[illegible] [illegible] [illegible] and [illegible] million [illegible]

[illegible] [illegible] [illegible] we [illegible]

for [illegible] now.

([illegible] 3 p.m. [illegible] case [illegible]
[illegible] [illegible] [illegible]
[illegible] 3:15 p.m. and
[illegible])

CHAIRMAN [illegible] [illegible] [illegible] if [illegible] will

carry on, please.

Mr. [illegible]: [illegible] [illegible], I think we had [illegible]

to the point where I had [illegible] [illegible] [illegible]

land assessment [illegible]

Q (Cont.) turns north. Now, in that very small area --.

MR. BLACKSTOCK: It would include more than that: where highway 16 goes north to the point where it goes east to Vegreville.

MR. McKENZIE: Yes; and say a mile and a half on either side of that highway to that extent. That is the portion that we are talking about and I am about to refer to as the Strathcona Industrial area. Now, if the land in that area were withdrawn from your school division how much would you estimate your land assessment would drop?

A Mr. McKenzie, I'm not in a position to answer that. I do not pretend to be an economist; I haven't made a study of this, and to be asked to estimate a thing of that kind, at short notice -- I don't think it's a fair question to ask.

MR. DAVIES: Could you tell us, Doctor Jonason, how much your pupil population would drop?

A That's something I don't -- I don't think the pupil population would drop at all if it's just the industrial plants that you propose to take out. Could you show me on this map, sir, what you have reference to? Here is Highway 16 that comes along here and turns north and goes to Clover Bar Village. You are suggesting this area, and you say a mile and a half south?

Q A mile and a half south of the road.

A Of highway 16 as it leaves the city?

Q As it leaves the city, as far as it goes east before it turns north, and then bounded out, say, a mile and a half to the east of the northerly portion until

Q (Cont.) it strikes the roadway again where it's travelling east. It's a comparatively small area.

A Yes. Well, I have some figures noted on this map which may indicate that roughly. In the area of the Braemar school there are 35 pupils approximately. Some of these are receiving tuition in the city, as I have indicated before, through an arrangement with the city. In the King George Park school at the present time there are approximately 112 pupils there, and they are the ones that would be largely within that area that you have mentioned.

MR. MOFFAT: I wonder -- where is that located? I can't spot it.

A Well, I can show you.

MR. ROBISON: Why couldn't we have the area delineated on the basis of the city's recommendation, as Mr. Moffat gave us this morning known as the Strathcona Industrial area. This is very confusing to me, being a Calgarian.

THE CHAIRMAN: We don't know, we haven't the slightest idea of the location of King George Park; that's something I never heard of until you got on the witness stand.

A Well, these are two new schools built by the division within the past four years.

THE CHAIRMAN: North of Highway 16, or where?

A There is one -- Braemar is just south of Highway 16 about a quarter of a mile from 75 Street which was the eastern boundary ofthe city.

THE CHAIRMAN: Yes.

A And then about a mile south of that is the King George Park school.

THE CHAIRMAN: That's further south than Mr. McKenzie is asking about then?

A Well, the pupils that are attending there, are within that limit. He said a mile and a half south --

THE CHAIRMAN: Of 16.

A Of Highway 16, and that would be, take in that King George Park area.

THE CHAIRMAN: What is the portion you call King George Park?

MR. McKENZIE: King George Park is roughly at the end of Whyte Avenue, isn't it?

MR. COOK : A little north.

A Now, I am trying to arrive at this figure as to how many children are involved: 35 and 112 -- that's 147. Now, in addition to that it would take in the Clover Bar Village which has 26 and 27 -- 53; 147 and 53 -- that's 200 pupils right there. Now, in addition to that there would be a few pupils who are in the 212 area and a few in the Salisbury area, but if you wish a rough approximation you might say about 225 pupils.

MR. DAVIES: Doctor Jonason, these 35 pupils at Braemar and 112 more at King George, are they from houses largely that represent fringe development on the outside of the city or do they come from farms, or both?

A They come from both.

Q MR. McKENZIE: Now, going back to the question of

Q (Cont.) land assessment -- I have just calculated this very roughly but I think the area that I'm speaking about for the Strathcona industrial area would constitute about 12 sections. Now, the loss of 12 sections from a thirteen and a half million dollar land assessment would represent what portion? Would it bring it below thirteen million?

A I don't know just what the assessment per quarter is there; I would have to get that information.

Q It's unlikely that it would bring it below thirteen million. Now, going to Leduc Municipality No.75 which includes the Leduc and Calmar Oil fields, the Joseph Lake Oil Fields and that general area, I notice that in that area the personal property assessment exceeds the land assessment; the personal property assessment is 8,700,000. whereas the land assessment is 600,000.

A You are having reference now to the page, the statement of assessed values and basic requisitions?

Q Yes; Leduc M.D. No. 75 shows a land assessment of 6,000,000 and personal property assessment of over 8,000,000.

A Mr. Chairman, I do not presume to be competent to answer these questions with regard to this assessment, and in fairness to the Commission and to myself I think that these questions should be directed to people who are competent to answer.

THE CHAIRMAN: Meaning Mr. Hawkins?

MR. McKENZIE: This is outside Mr. Hawkins' Municipal District altogether, sir; it's only within Doctor Jonason's School Division, if these figures have any bearing.

THE CHAIRMAN: Well, you haven't the information?

A I haven't the information at the present time; as a matter of fact I feel that the secretary of the Leduc Municipality is the man who should answer these questions.

MR. McKENZIE: Well, I'm not seeking information as to the basis of the assessment particularly, sir. Doctor Jonason has simply pointed out that he has had problems resulting from increased school population in the Leduc Municipality. I was just wondering if this personal property assessment wasn't very largely oil field assessment, and it exceeds the land assessment -- I was wondering if that might not compensate in some measure at least for the increased school population.

Could you tell me, sir -- this is something you probably would know -- whether the assessment in Leduc has increased since 1947?

A I think it has.

Q Do you know when the personal property assessment was first introduced so far as the Leduc portion of your school division is concerned?

A No, I don't.

THE CHAIRMAN: What's that, Mr. Bowker?

MR. BOWKER: 1948.

THE CHAIRMAN: 1948, all right.

Q MR. McKENZIE: 1948; so that over half of the Leduc Municipality assessment has come on the roll since the discovery of oil.

I suppose if that were true in the municipal district that presumably, without going into detail

Q (Cont.) again, a large portion of the personal property assessment and the additional improvement assessment in Leduc and Calmar might be attributable to oil in some degree?

A In some degree, yes.

Q And from the figures you have submitted, Leduc and Calmar have a combined assessment in excess of two million, of which over a million and a half is personal property and improvements?

A Yes, that's right from the figures here.

Q Now, the increase in school population in Fort Saskatchewan, the other major area which created a problem for you, is also offset by the new assessment of the Sherritt Gordon plant in that area, in part?

A Yes; however, it must be borne in mind that that assessment did not become available to enable us to meet the expense imposed by the influx of these children.

Q That's quite right; there is a time lag between the arrival of the workers and the time that the assessment goes on the roll.

A Yes.

Q Now, you have given us, since the adjournment, some additional figures as to the students in this small area of 12 sections that are along highway 16. How many of those students, would you have any idea, are children of industrial workers in those plants, as compared with children of farmers or owners of small holdings who were there before the plants?

A I haven't those figures, and as pointed out this statement that is presented today -- I don't know that that would indicate, would give the information that you require.

I see that there are 42 residing in the Municipal District of 83, but I wouldn't know just how many children there would be in those families.

Q Now, the Edmonton plan involves the incorporation within the city boundaries of this industrial area of approximately 12 sections. If that happened would your school division still be able to requisition on what remains to you for your current needs?

A What would be the approximate reduction in the assessment? Thirteen million dollars, is that it?

Q Thirteen million dollars was the suggested assessment that's on the roll now that would be lost from that area. You would have, to compensate that, the new assessment at Sherritt Gordon which would probably -- I have no idea what the amount of that might be.

A I would say that it would make it difficult to maintain this same program that we have envisioned if that were removed.

Q Now, with regard to the Salisbury rural high school, I believe your brief states on page 5 that the pupils come from 23 rural school districts.

A That's right.

Q Now, I believe you now own and operate a school in the Town of Calmar which serves pupils from the surrounding municipal district; is that right?

A That's right.

Q Is there any reason why your division couldn't continue to own and operate the Salisbury school for the benefit of the pupils from these 23 rural districts even if the physical plant were in fact within the Edmonton boundaries, just the same as your school plant in Calmar is within the Calmar municipal boundaries ?

A Well, the Calmar municipality is within the school division; it is part and parcel of the Calmar School Division.

Q Well, take Braemar, for instance; it's within your school division, isn't it?

A Yes.

Q And the school is operated and the teachers are paid by Edmonton?

A Yes, it can be operated by mutual agreement between the two interested bodies.

MR. BLACKSTOCK: But you are asked the question "is it" -- now "it could be" -- the question was , "is it operated by Edmonton?" and your reply was, "It could be mutual." Now, what is the answer?

A I think the question, sir, was, "Could it be?" -- not "is it?"

THE CHAIRMAN: Of course, it isn't. It is proposed. Your proposal, Mr. McKenzie, was in the event of the boundaries being extended to include the site of the Salisbury school -- is this not correct -- could it be operated? That was your question? Yes, I think it was.

MR. McKENZIE: Yes, that's right, Mr. Chairman.

A It could be operated by mutual agreement.

MR. BLACKSTOCK: But you had left Salisbury school and had come to Braemar.

THE CHAIRMAN: That's the way Braemar is operated now, but I thought he was still talking about Salisbury.

Q MR. McKENZIE: Did I gather from something you said a little earlier that the increase in the school enrollment in your division is not above the provincial average?

A I think that statement was made by Mr. Bowker; I don't recall making that statement.

Q I wasn't sure whether that was the answer or not; I just wished to confirm it.

In your conversations with the Municipal District of Leduc where these questions of arrears were cropping up, I was wondering as to the nature of the arrears, whether perhaps they were largely personal property taxes on small oil companies that are now in difficulties, or whether they were agricultural arrears, or what the nature of them was.

A According to the information given to Mr. Moffat by the secretary of the Municipality of Leduc they are made up of both: arrears on land and arrears on personal property; and I understand that there is a considerable portion of that due to the fact that oil companies have become inoperative.

Q Now, the evidence before was a little confusing to me, at least, on how many new rooms have actually been

Q (Cont.) built in the East Edmonton School District.

A There have been -- there were two schools, three room schools built: the Braemar school and the King George Park school.

Q Yes.

A But I indicated that prior to that there had been five rooms in the East Edmonton School District. Now there are nine rooms so that the net increase is four rooms in the East Edmonton School District.

Q Now, could you give us any indication at all as to how many of those rooms would have been required any way for the normal increase in the fringe development and agricultural population in those areas, and how much would be due to industry, whether it's one out of four or two out of four -- is that possible to estimate?

A I think it would be much better for us to make a survey to determine that, and that was intimated in this brief. We did not presume to give such detailed information at this time, and I think it would be better to defer that until November.

Q Well, you could get this information for us by November?

A That could be secured.

Q And at the same time I would like to know whether or not your Braemar school and your King George Park school, in particular, might not have been required irrespective of the development of this heavy industry along highway 16. That would be shown

Q (Cont.) by those figures that you propose to get, I presume, would it?

A We would have to indicate the nature of the employment of the people.

Q That was the idea.

A And we would have to determine when they came into the area, and to some extent why they came into the area.

MR. ROBISON: How many people lived in this particular area prior to four and a half to five years ago, and how many people live in it now, do you say?

A You are thinking oftotal population figures, not just school population?

MR. ROBISON: That's right. In that particular area delineated there, how many people lived there before this development started, and how many live there now.

A Well, I understand the Municipality of Strathcona in connection with a civil defence survey has made such a survey but tabulation hasn't been completed, and I think that could be available when the Municipality of Strathcona makes its submission.

MR. ROBISON: I would like to have that information.

MR. McKENZIE: On page 2 in your brief, Doctor Jonason, there is a reference there: "For example in a study of the Edmonton Metropolitan area problems made two years ago it was stated" -- and so on;just to tie that down, are you referring there to the Gertler report?

A Yes, sir.

Q Then on page 4 of your brief a statement that Mr. Moffat referred to -- it reads:

"In this connection it should be pointed out that tax returns from farm lands indicate that the point of dimishing returns from that source has been reached."

Now, in reply to his question you indicated that the factual information on which that conclusion was based was that there were increasing tax arrears on the Leduc roll; and in answer to a question of mine you have indicated that a large part of those tax arrears were on personal property assessments of small oil companies. If that is correct, perhaps the premise or the conclusion that is reached is not entirely justified that the point of diminishing returns on farm lands has been reached .

A We based that upon this information supplied by the secretary of the municipality to the effect that the total arrears on farm lands is $197,703.00, as opposed to $121,172.00 on personal property tax. Those are the figures that we were given.

Q Thank you.

A So there has been this sum of $197,000.00 arrears on farm lands which in our opinion is a substantial amount.

Q Yes; but does that exceed the average arrears that existed on farm lands prior to that? As I recall it the total figure of arrears was higher, but the portion attributable to farm lands -- is that higher?

A You mean from year to year?

Q Yes. There are always some arrears.

A Yes; well, in 1951 it was $179,000.00; and then in 1952 it was $178,000.00; and 1953 it was $197,000.00 -- it has gone up by approximately $20,000.00 in the last year.

Q Now, in your remarks after reading your brief yesterday, you indicated that you felt that there should be a large metropolitan area with a 20 to 30 mile radius for planning purposes. I wasn't clear as to whether you had any suggestion as to the form of government that should be used in this area. Did you envisage one municipal government looking after the whole, or several municipal governments within it with some authority with overriding powers in common fields?

A I wasn't prepared to make any suggestion as to the type of government that should be set up. I pointed to the necessity or the need for planning for that area being done; as to what body the authority should be delegated, I would leave that to the Commission to decide.

Q A point of information: do you know whether the Texaco Wizard Lake Absorption plant is within the boundaries of your school division, or is it just outside?

A I think it would be just outside.

MR. McKENZIE: That's all, thanks, Doctor Jonason.

MR. DAVIES EXAMINES THE WITNESS:

Q Doctor Jonason, there is a question or two in which I would like the benefit of your opinion, but before I can intelligently ask it I wonder if you would

Q (Cont.) inform yourself by asking the secretary-treasurer of Strathcona what the mill rate is for school purposes in the Municipal District of Strathcona in the year 1954.

MR. HAWKINS: I was wondering, Mr. Chairman -- I have these here -- would you like me to file them with the Board now, these statements, or would you just like the answer and I could file the statements in the morning?

THE CHAIRMAN: I think if you will just give this answer, and then we will have them filed, Mr. Hawkins, tomorrow morning.

A According to the statement here the municipal rate is 11½ mills -- this is for the year 1954 -- Clover Bar School District 12½ and hospital 1 -- and the total is 25.

THE CHAIRMAN: Thank you very much.

Q MR. DAVIES: Thank you. Now, arising out of this information, I was quite impressed, Doctor Jonason, with your opening statement yesterday about the vision you had of the benefits that could accrue to the pupils in the 80 odd schools in the general area of your school division, and that is the very understandable dream for an assiduous and intrepid superintendent to have, and can only be commended; but I must confess that when I look at the Edmonton mill rate for school purposes of 31.65 mills, the Beverly mill rate 33 mills, and Jasper Place School rate of 38 mills, for 1953, and now your mill rate for school purposes in the Strathcona area of 12½

Q (Cont.) mills -- I have some apprehension particularly keeping in mind that the children, that the parents of the children have their homes largely in the larger urban center, as to whether or not we shouldn't exercise some concern to see if there shouldn't be some balancing up done, and whether or not the balancing up shouldn't be done in this particular area where the homes of these people are, and where the local authorities are being called upon to educate their children.

I think it was the mayor of Jasper Place that told us when our sittings opened last week that every time a home went up in Jasper Place, every time a new home went up it represented a distinct liability to the area because of the number of children that would be in the home that they had to educate.

Now, keeping in mind this larger vision you have of the equalization of educational opportunities, as an educationalist is there anything wrong in the principle that there should be some balancing out of this tax base among those who are poverty stricken?

A I think there is nothing the matter with that principle; I think it is in the method by which the equalization is to be effected that there might be some argument .. you see.

May I make this comment, sir: as I intimated before, this is the first time I had seen this statement with regard to the number of employees in the plants, and the number of them residing in Edmonton. I think there should be a further break down there

A (Cont.) to indicate how many of these are unmarried people and how many are married; how many children are supported by these employees; to what extent the burden is a real burden imposed on the City of Edmonton; and I think that we shouldn't be hasty in drawing any conclusions from a statement of this kind.

Q And one further point: on looking over this exhibit 49E, the auditor's financial statement for the year 1953 of Clover Bar School Division, I must confess that until I saw this document I had no idea that the boundaries of Clover Bar School Division extended themselves out into other municipal areas to the extent that they do.

Now I observe, if you look at the statement in this auditor's report entitled "Statement of Assessed valuations and basic requisitions", that we find that the total assessment is 40,000,000 -- it's 39,000,000 and something and I will just give it to you in round figures -- this is for 1953 -- the total assessment is 40,000,000; and of that amount M.D.83 -- that's the M.D. of Strathcona -- the total requisition is 20,000,000; so that it would appear that out of the total area from which your school division draws its revenue, that on the basis of the 1953 assessment, one half of it is within the M.D. of Strathcona and the other half, roughly speaking, is within other municipal areas; that's correct, isn't it?

A That's correct; and further more I might add that approximately half of the pupils are resident in the Leduc area, the southern area and the other half in

A (Cont.) the northern area.

Q Now, I want to go a step further with some thinking that I have done on the matter as a result of some figures that have come before us now: we were told earlier in Exhibit 34E , which exhibit shows that the 1953 assessment in the M.D. of Strathcona in the industrial plants east of Edmonton, is estimated at 10,000,000, and not included in that assessment for '53 is any assessment on the Canadian Chemical Works, Canadian Industries Limited, Sherritt Gordon, Trans Mountain Pipe Lines, and there's another one -- Dominion -- that's Dominion Oxygen.

Now, I am wondering, and it is agitating me very considerably, that if the situation is left just the way it is now what is going to happen if another 10,000,000 or 12,000,000 of assessment comes into the Strathcona industrial area within the next year, how much further that is going to distort the equalization of taxation in this general Metropolitan area, what it is going to do for a considerable number of miles beyond here -- for example -- if a further, let us say, 10 or 12 million goes on the roll in the industrial area in Edmonton it is obvious to me that that is going to drop the taxes, it's going to drop the taxes considerably in M.D.75, in M.D. 82 and in M.D. 79; because assuming that the assessments remain about the same in the other municipal areas that are component parts of your school division, and this assessment in the industrial area immediately

Q (Cont.) adjacent to Edmonton continues to rise -- and apparently it will double -- that if the situation is left as it is now we are going to find the net effect of that is that it is going to greatly reduce taxes a very considerable distance out from Edmonton, in areas that are not particularly related to this industrial area at all; while at the same time the people who are the parents of the children, are going to be having their education in Edmonton, Beverly and Jasper Place, at a cost to the tax payers here.

Now, that point as a prospect for the next few years is agitating me considerably, and if you follow just what I am getting at I would appreciate the benefit of any observation you might like to make on it at this time.

A I appreciate having the opportunity to make a comment on that. Prior to the industrialization of the Clover Bar School Division, I think we in common with every other school division in the province found it relatively difficult to finance and provide educational opportunities such as we would like to give to the children.

Now, I appreciate the problem that you have enunciated here, that if this were to continue that the Clover Bar School Division's assessment continues to rise, that there will be a severe imbalance created.

However, when the school divisons were formed you will recall that it was in order to enlarge the tax base for the support of schools. Now, it may be that

A (Cont.) we have reached the point where we have to have a reassessment of this whole matter of school support and say that conditions such as exist right here that you have made reference to make it apparent that we should enlarge the tax base for school purposes so as to make it the whole province and distribute the benefits equitably throughout the province.

I think a case could be made out that merely because industrialization continues to expand in the area adjacent to the city, that there comes a point when other people may say: "Why should Edmonton benefit solely from this? Is this not a condition which did not come into being because of anything that Edmonton did? Shouldn't the benefits from it be distributed equitably to all people?"

Now, I think the Commission will have to have that in mind when they are deciding as to how much extra assessment should be given to any of the urban areas involved in this study, and then determine what might have to be done with the excess. I'm just submitting that on the spur of the moment -- I don't like to do it -- I would like to be able to think through a problem more fully, but that is my immediate reaction to the statement that you have just made.

Q MR. HAYES: Has this co-terminus boundary commission suggested any changes in your boundaries?

A Sir, yesterday I think that question was asked me, and -- particularly as a civil servant -- I do not

A (Cont.) think that I am privileged to make any comment on a matter that is, I understand, now placed before the cabinet, and I have no authority to make any disclosures with regard to that sort of thing.

THE CHAIRMAN: Doctor Jonason, I would like to ask you this question: do you not consider it essential so far as the work of this Commission is concerned that it be put in possession -- not through you -- but that it be put in possession of the recommendations of the co-terminus boundaries commission if it is going to deal intelligently with this whole matter of this Clover Bar School Division or whatever takes its place?

A I agree whole heartedly that it is essential.

THE CHAIRMAN: Well, we may be able to get a release of that from somebody.

Q MR. McKENZIE: There is one question which I had intended to ask earlier, sir, and which I have overlooked, and that is this: there is, I believe, provision in the legislation relating to education that special equalization grants can be made by the province if the assessment drops below a certain amount per class room. Now, in the event of the Edmonton recommendation being adopted, more or less, would there be any danger of Strathcona requiring those equalization grants?

A I do not think there would be any danger of that.

THE CHAIRMAN: The answer was that you couldn't see any danger -- is it?

A Yes.

THE CHAIRMAN: Yes, thank you. I agree with you.

MR. BLACKSTOCK: Doctor Jonason, your debenture debt has increased year by year, beginning in 1950 with sub-

MR. BLACKSTOCK: (Cont.) stantial amounts, until it had reached $575,250.00. Now, how much of that debenture debt is due to centralization rather than to number of pupils?

A You might say that roughly 50 percent -- if I am to venture a guess I would say that that would be a conservative guess.

MR. BLACKSTOCK: That would be for the schools at the three places you have mentioned: Leduc, Calmar and Fort Saskatchewan?

A And I would include in that New Sarepta and the Wye and the Ellerslie schools which are in the process of construction.

MR. BLACKSTOCK: These schools are all for the purposes of centralization, are they?

A Yes, and to meet the problem of increased population.

MR. BLACKSTOCK: And I suppose it is also true that during the 1930's and during the war it was virtually impossible for any school division or school district to borrow money, so that there has been a lot of building done in the last seven or eight years which, had conditions been normal, would have been spread over a greater period of time?

A I think that is true, both for urban and rural schools, yes.

MR. COOK: Mr. Chairman, I wonder if I might make a statement.

THE CHAIRMAN: Mr. Cook, will you identify yourself?

MR. COOK: J.E. Cook, and I am the assessor for Strathcona Municipal District.

MR. BLACKSTOCK: (Cont.) stantial amounts, until it had reached $575,250.00. Now, how much of that debenture debt is due to centralization rather than to number of pupils?

A You might say that roughly 50 percent -- if I am to venture a guess I would say that that would be a conservative guess.

MR. BLACKSTOCK: That would be for the schools at the three places you have mentioned: Leduc, Calmar and Fort Saskatchewan?

A And I would include in that New Sarepta and the Wye and the Ellerslie schools which are in the process of construction.

MR. BLACKSTOCK: These schools are all for the purposes of centralization, are they?

A Yes, and to meet the problem of increased population.

MR. BLACKSTOCK: And I suppose it is also true that during the 1930's and during the war it was virtually impossible for any school division or school district to borrow money, so that there has been a lot of building done in the last seven or eight years which, had conditions been normal, would have been spread over a greater period of time?

A I think that is true, both for urban and rural schools, yes.

MR. COOK: Mr. Chairman, I wonder if I might make a statement.

THE CHAIRMAN: Mr. Cook, will you identify yourself?

MR. COOK: J.E. Cook, and I am the assessor for Strathcona Municipal District.

THE CHAIRMAN: Mr. Cook, do you see the time?

MR. COOK: Yes, I was just going to take a minute -- that's all I wanted.

THE CHAIRMAN: All right.

MR. COOK: I just wanted to say that I think perhaps Strathcona may owe something in the nature of an apology to this Commission for lack of information on assessment; and I just wanted to point out the fact that the reason that hadn't been forthcoming was because Mr. Harries understood that this first session would be merely for the purpose of hearing the preliminary briefs and probably wouldn't go very far into cross-examination that would imply that sort of information.

I just wanted to say that as I have sat here I felt at times that I could have helped a great deal, even off the record, and prevented a great deal of this frustration that is quite apparent just for lack of this, and I wanted to say as well that if it would facilitate matters in any way we will be very glad, even ahead of our brief, to supply what information we can with reasonably accuracy.

THE CHAIRMAN: Mr. Cook, I suspect that this information that you have talked about -- and I have felt just as you felt: I felt quite sure that you had much of the information that we were trying to get out of Doctor Jonason or somebody else, right at your finger-tips -- but I think that in cross-examination of Mr. Hawkins tomorrow morning that you should be here and be prepared to supplement with detailed information

THE CHAIRMAN: (Cont.) anything which he has to say or in answer to any questions which may grow out of that material. Commissioner Blackstock suggests that you might be well advised to have your assessment roll along with you.

MR. COOK: Well, I wanted to clarify that thing just for this very purpose this evening, -- and I don't want to take any more time -- but I do think that the Commission might bear with us to the extent of saying that we will give the information as nearly accurate as we can, and correct it as verified when our briefs come at that time.

THE CHAIRMAN: You are quite right in that assumption.

MR. COOK: Now, I have here, just before you go, if you people would like to have it, some copies of the assessment manual for the province.

There has been suggestions as we go along that perhaps there has been a sort of a pampering of our manufacturing concerns and so on, and if it is of any interest to the members of the Commission, each of you can have a copy of this manual put out by the province, and upon which our assessment practices are based. I would be very happy at this time to present to you these copies for your use.

THE CHAIRMAN: I think we will have them entered as an Exhibit tomorrow morning.

MR. COOK: Tomorrow morning.

THE CHAIRMAN: First thing.

MR. COOK: Thank you very much.

THE CHAIRMAN: What I would like to know at the moment is if we may have Doctor Jonason stand down now and regard his testimony as complete.

MR. GARSIDE: I am wondering what Doctor Jonason is going to give by way of statistics. Are you going to give the number of pupils who have parents working in the oil fields and the places of their residence?

A That will not be by tomorrow morning.

MR. GARSIDE: Oh, no, no; I understand that.

THE CHAIRMAN: Mr. Garside, are you accurate in saying "oil fields" or are you referring to this industrial area -- as we have been calling it --. do you want to know the pupils who are living around Calmar, for instance?

MR. GARSIDE: Well, I understood Doctor Jonason to say , in addition to the amount of growth --

THE CHAIRMAN: You undertook to make an analysis of this whole division, did you?

A I was undertaking to make an analysis of this area immediately east of the city. I thought that was the part that was in question; and I think a great deal of the misunderstanding this afternoon has arisen from the fact that there hasn't been a clear definition of what constitutes the industrial area. To my way of thinking, the whole area, wherever there has been oil development and so on, is the industrial area.

THE CHAIRMAN: That may be, but you don't think for a minute that that concerns the Commission so far as its primary purpose is concerned, which is the administration of this area here. For instances, I don't think the Commission has anything to do with the Strawberry School Division -- is Wizard Lake in yours?

A Part of it.

THE CHAIRMAN: Well, part of it's in Strawberry, isn't it? So I certainly don't think that we are interested in that.

MR. McKENZIE: Apart perhaps from the impact of oil, sir.

THE CHAIRMAN: I think we will ultimately find ourselves dealing with the whole province if we don't look out.

Then, Doctor Jonason, Mr. Garside's request is that you and your assistants as far as possible determine -- at least, make some segregation of the school population which is attributable to this development, this oil development -- drillers and all the rest of them -- and as against the natural population that live there which, having regard to the natural increase, would constitute the school population in the area other than this industrial area right here -- we would be glad to have that on its own -- but the rest, just to give us an idea of how much an increase in school population you have had to provide for as a result of the discovery and development of oil.

A I felt that we had done that in one of the tables I had presented here, but if Mr. Garside would like it in still more detailed form we will attempt to do so.

MR. HAYES: Mr. Chairman, are we getting comparable figures from the city here?

THE CHAIRMAN: I don't recall that we have asked for them.

MR. HAYES: I would like somebody in responsibility to furnish us with comparable figures from the city.

MR. GARSIDE: That is reasonable, sir.

THE CHAIRMAN: Then, Mr. Hawkins, may we expect you at 10 tomorrow morning, and we will proceed then with the cross-examination, and I think, Doctor Jonason, you are formally excused.

A Thank you.

THE CHAIRMAN: If there is anything that you are going to file tomorrow you will have an opportunity to do it, but this larger computation for detail, you will have to have more time.

MR. DAVIES: There was that one amended exhibit that you wanted to amend, Doctor Jonason.

A It was the one in which we made an analysis of the number of pupils in the area immediately adjacent to the city whose parents are employed in the city here; it has to do with that as well as the total number of pupils in the area attending --

MR. DAVIES: Attending the city schools?

A Attending the schools in that area.

MR. DAVIES: If that one is to go into the transcript it means the court reporter will have to have it, I imagine, tomorrow morning.

A I would be pleased to submit it the very first thing so that it would be in close context with what has been said.

THE CHAIRMAN: Now, Doctor Willis, I had thought that we would get to your submission this afternoon, but we haven't done so, and I am very anxious to get this matter of the cross-examination of Mr. Hawkins cleared up tomorrow, so I am afraid I shall

THE CHAIRMAN: (Cont.) have to ask you to come back tomorrow afternoon and then be prepared to take the stand when we are ready to hear you.

We adjourn now.

(At 4 p.m. this date the hearing stood adjourned until 10 a.m. Wednesday the 20th day of October, 1954 and reconvened.)